

West Shore  
Community  
College



Years Ended  
June 30, 2022 and  
2021

Financial  
Statements  
and  
Supplementary  
Information

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# WEST SHORE COMMUNITY COLLEGE

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



## Management's Discussion and Analysis

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This discussion and analysis of West Shore Community College's (the "College") financial statements provides an overview of the College's financial activities for the years ended June 30, 2022, 2021, and 2020. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

This annual financial report contains the report of independent auditors, the management's discussion and analysis, the basic financial statements, and notes to the basic financial statements along with required supplementary information, notes to required supplementary information, and supplementary information. The basic financial statements include the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. The College's financial statements provide information about the activities of the College as a whole, presenting both an aggregate view of the College's finances and a long-term view of the College's financial position. Combining financial statements are also included as supplementary information. Combining financial statements include the Combining Statements of Net Position and the Combining Statements of Revenues, Expenses, Transfers, and Changes in Net Position. These statements show how the activities of the College were financed in the short-term, as well as what remains for future spending. The combining financial statements report the College's operations in more detail than the basic financial statements by providing information about activities by fund.

The basic financial statements include not only the College itself but also a legally separate component unit, the West Shore Community College Foundation. Financial information for this component unit is reported separately from the financial information presented for the primary government, the College.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions (GASB 68)*, and Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)*, have had a significant impact on the liabilities, deferred outflows and inflows, and net position of the College as discussed below. Additional information is also included in Note 5 to the financial statements, and in the required supplementary information following the footnotes.

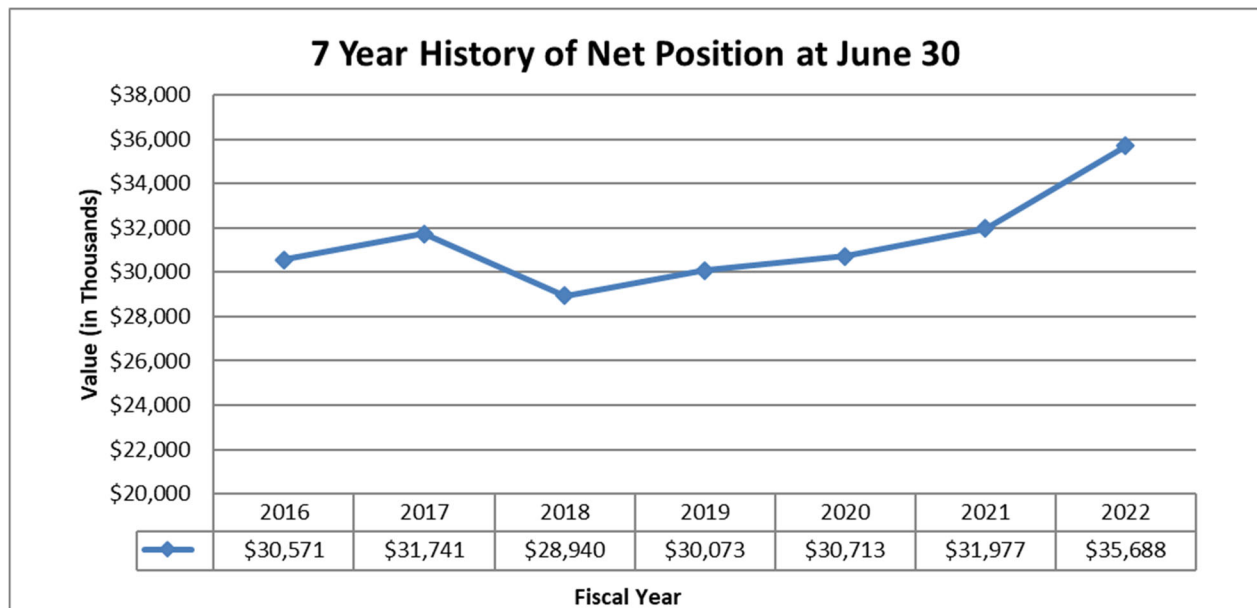
Government Accounting Standards Board Statement No. 87, *Leases*, had a significant impact on the assets and deferred inflows of the College as discussed below. The implementation did not significantly impact the net position of the College. Additional information for GASB 87 is included in Notes 2 and 10 to the financial statements.



## Management's Discussion and Analysis

### Financial Highlights

The College's financial position reflects an increase from the prior fiscal year of \$3,711,093 resulting in a net position of \$35,688,473 at June 30, 2022. During the fiscal year ended June 30, 2022, the College's revenues and other support totaled \$20,179,619, while 2021's total was \$19,008,332 and 2020's total was \$20,407,366. Expenses during the 2022 fiscal year were \$16,468,526 while 2021's total was \$17,743,869 and 2020's total was \$19,767,532. General Fund State appropriations increased \$145,925 or 4% in fiscal year 2022. State appropriations passed through the College for the MPSERS Unfunded Actuarial Accrued Liability (UAAL) payments were \$651,101 in fiscal year 2022 compared to \$597,766 in 2021 and \$500,230 in 2020. In 2022, the College expended over \$654,000 direct to students relative to the \$1.7 million in COVID-19 funding awarded. In 2022, the College expended over \$766,000 to be used on campus relative to the \$2.3 million in COVID-19 funding awarded.





## Management's Discussion and Analysis

### Statement of Net Position

The Statement of Net Position reports all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Revenues and expenses are separated into categories of operating revenues and expenses and non-operating revenues.

Following is a three-year comparison of the major components of the Statement of Net Position of the College as of June 30:

	2022	2021	2020
<b>Assets</b>			
Current assets	\$ 13,128,352	\$ 8,906,730	\$ 11,340,002
Investments	2,529,381	3,528,078	3,111,547
Lease receivable, net	3,938,657	896,842	-
Capital assets, net	37,935,349	38,938,614	35,792,825
<b>Total assets</b>	<b>57,531,739</b>	<b>52,270,264</b>	<b>50,244,374</b>
<b>Deferred outflows of resources</b>	<b>3,051,374</b>	<b>4,430,422</b>	<b>5,244,877</b>
<b>Liabilities</b>			
Current liabilities	1,834,004	1,556,019	1,512,019
Noncurrent liabilities	11,227,044	17,629,527	18,334,431
<b>Total liabilities</b>	<b>13,061,048</b>	<b>19,185,546</b>	<b>19,846,450</b>
<b>Deferred inflows of resources</b>	<b>11,833,593</b>	<b>5,537,760</b>	<b>4,929,884</b>
<b>Net position</b>			
Investment in capital assets	37,935,349	38,938,614	35,792,825
Restricted for:			
Nonexpendable scholarships	163,087	163,087	162,404
Expendable student loans	88,280	87,840	87,205
Expendable scholarships	-	121,655	150,905
Expendable capital projects	5,324,168	2,829,089	5,604,562
Unrestricted deficit	(7,822,411)	(10,162,905)	(11,084,984)
<b>Total net position</b>	<b>\$ 35,688,473</b>	<b>\$ 31,977,380</b>	<b>\$ 30,712,917</b>





## Management's Discussion and Analysis

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Significant changes in the Statement of Net Position were the result of the following:

The net pension and OPEB liability was \$11,227,044 as of June 30, 2022, a decrease of \$6,402,483 from June 30, 2021, balance of \$17,629,527.

Deferred outflows of resources decreased from \$4,430,422 in 2021 to \$3,051,374 in 2022. These changes were predominantly recorded as a result of changes in actuarial assumptions to the net pension and OPEB liability and College contributions to the MPSERS plan subsequent to the plan's measurement date. Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time.

Deferred inflows for the net pension and OPEB liability increased by \$3,325,646 to \$7,789,687 in 2022 as compared to \$4,464,041 in 2021. These changes were predominantly recorded as a result of the differences between expected and actual experience, difference between projected and actual earnings on pension and OPEB plan investments and changes in proportion and differences between employer contributions and proportionate change of contributions. Deferred inflows represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

It is important to note that while the impact of GASB 68 and GASB 75 raises awareness of potential future obligations of the College, there is no immediate impact on the cash position of the College or its ability to meet current obligations. See footnotes to the financial statements for more information.

In 2022, the College implemented GASB 87, *Leases*, requiring leases classified as operating leases to be recognized on the Statement of Net Position. In 2022, lease receivable amounts were recorded at \$4,081,673 compared to \$1,049,558 in 2021. Deferred inflows for the lease receivable increased by \$2,970,186 to \$4,043,905 in 2022 as compared to \$1,073,719 in 2021. These changes were predominantly recorded as a result of new leases entered into in 2022.

Current assets increased by \$4,221,622 primarily due to an increase in cash and cash equivalents. Investments decreased \$1,499,705 primarily due to a transfer of investments to short term funding caused by weak market returns. Capital assets decreased \$1,003,265 primarily due to depreciation. Overall total assets increased by \$5,261,475 as of June 30, 2022. More detailed information about the College's capital assets is presented in the footnotes to the financial statements.

The net position of expendable capital projects increased in 2022 by \$2,495,079 and decreased in 2021 by \$2,775,473, after the completion of several major capital projects in the prior fiscal years allowing an increase in future capital project funding received from the local millage assessment.

Over time, increases or decreases in the College's net position are an indicator of whether its financial health is improving or deteriorating. You will need to consider many other nonfinancial factors, such as trends in college applicants, student retention, condition of the buildings and infrastructure, and strength of its human resources to assess the overall health of the College.



## Management's Discussion and Analysis

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### Statement of Revenues, Expenses, and Changes in Net Position

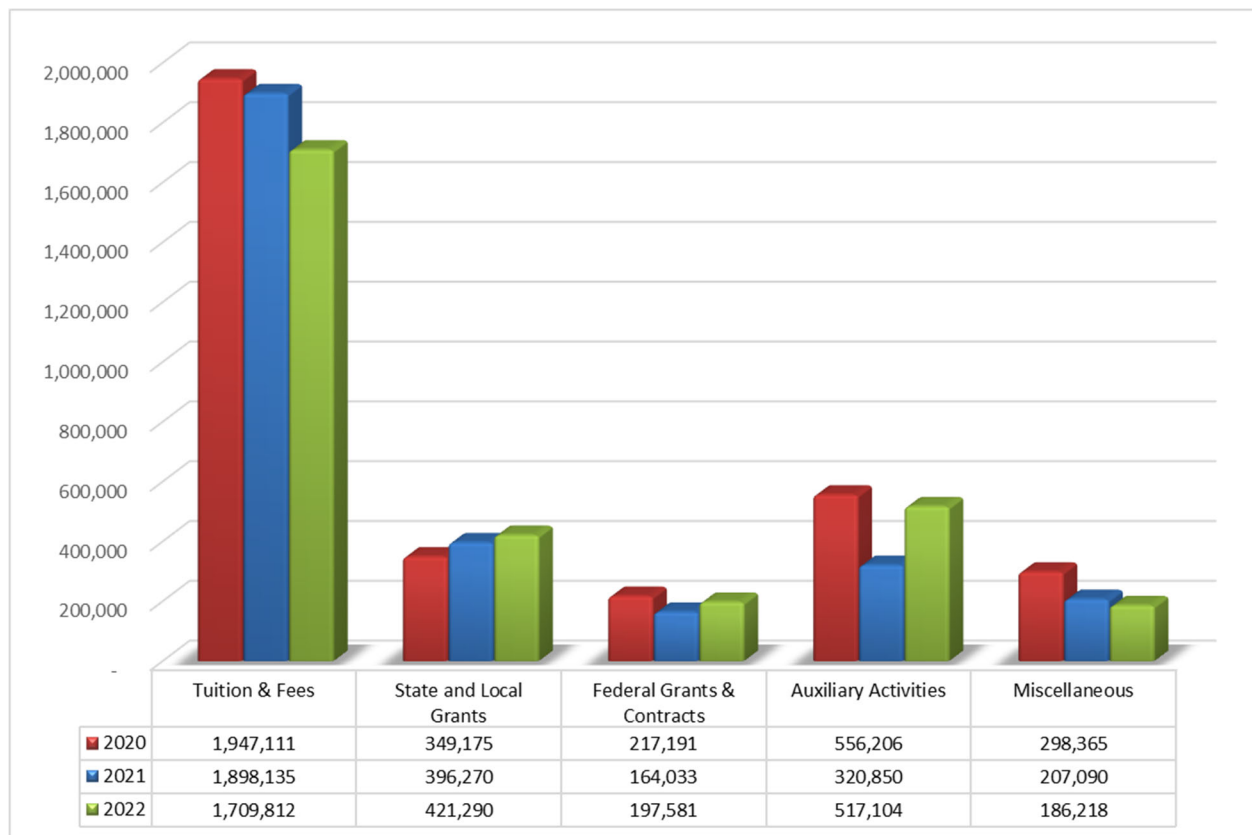
Following is a three year comparison of the major components of the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30:

	2022	2021	2020
Operating revenues	\$ 3,032,005	\$ 2,986,378	\$ 3,368,048
Operating expenses	16,468,526	17,743,869	19,767,532
Operating loss	(13,436,521)	(14,757,491)	(16,399,484)
Net nonoperating revenues	17,147,614	15,748,810	15,049,162
Income (loss) before other revenues	3,711,093	991,319	(1,350,322)
Other revenues	-	273,144	1,990,156
Increase in net position	3,711,093	1,264,463	639,834
Net position - beginning of year	31,977,380	30,712,917	30,073,083
Net position - end of year	\$ 35,688,473	\$ 31,977,380	\$ 30,712,917

### Operating Revenue

Operating revenues include all transactions that result in sales and/or receipts from goods and services such as tuition and fees and bookstore operations. In addition, certain federal, state, and private grants are considered operating if they are not for capital purposes and are considered a contract for services. The following is a comparison of operating revenue for fiscal years 2020, 2021, and 2022:

**Operating Revenues Comparison of Fiscal Year 2020, 2021, 2022**



Operating revenue changes between 2022 and 2021 were the result of the following:

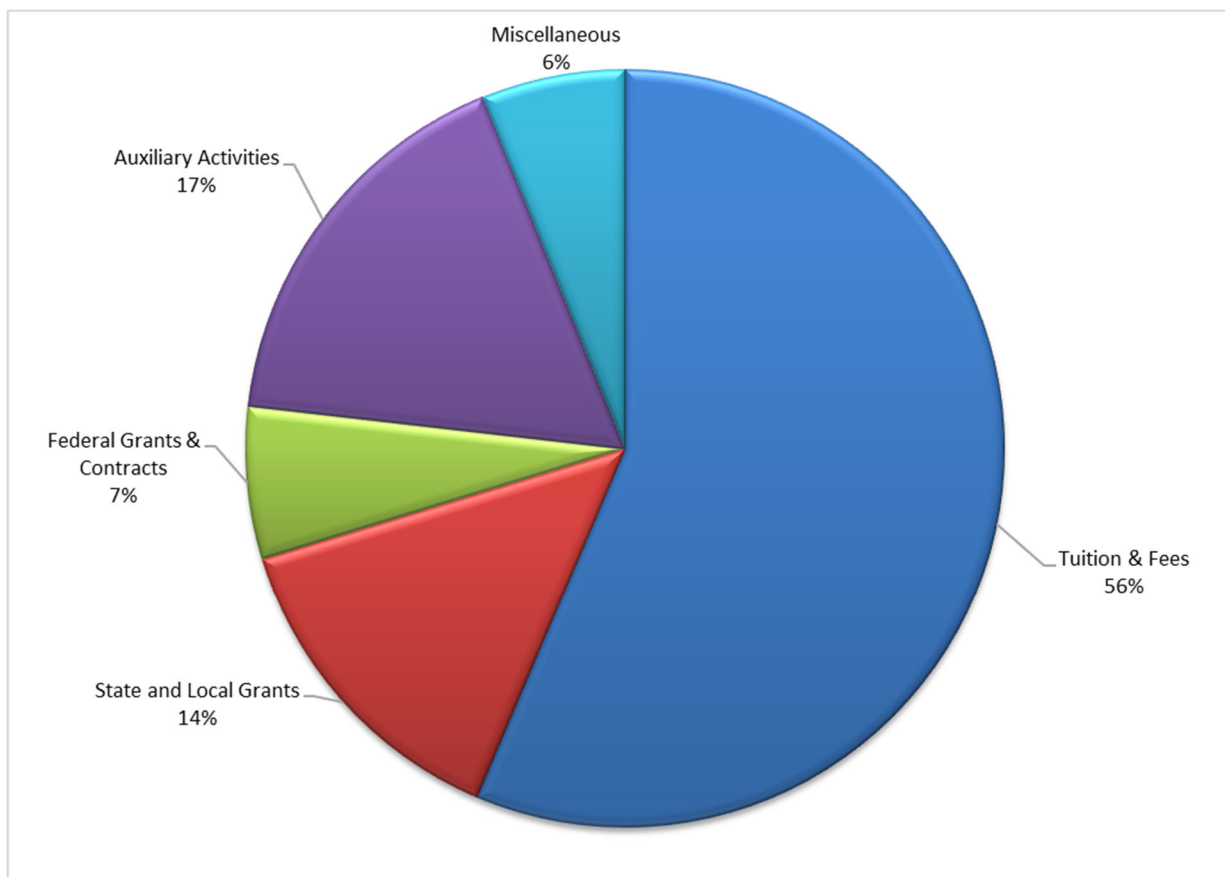
- Tuition & Fees revenue is down 10% over prior year due to a decrease in tuition and fees per contact hour and lower enrollment. The pandemic had an impact on these results.
- Federal Grants are up 20% over prior year from increases in SEOG & FWS grants.
- Auxiliary Activities revenue is up 61% over prior year due to the reopening of these activities as we slowly move out of the pandemic.
- Miscellaneous revenue is down \$20,000 or 10%.

## Management's Discussion and Analysis

Operating revenue changes between 2021 and 2020 were the result of the following:

- Tuition & Fees revenue is down 3% over prior year due to a decrease in tuition and fees per contact hour and lower enrollment. The pandemic had an impact on these results.
- Federal Grants are down 24% over prior year from reduced SEOG & FWS grants due to the pandemic.
- Auxiliary Activities revenue is down 42% over prior year due to the shutdown situation caused during the pandemic.
- Miscellaneous revenue is down 31% primarily due to the suspension of the Performing Arts Series during the pandemic.

The following is a graphic illustration of operating revenues by source for the year ended June 30, 2022:





## Management's Discussion and Analysis

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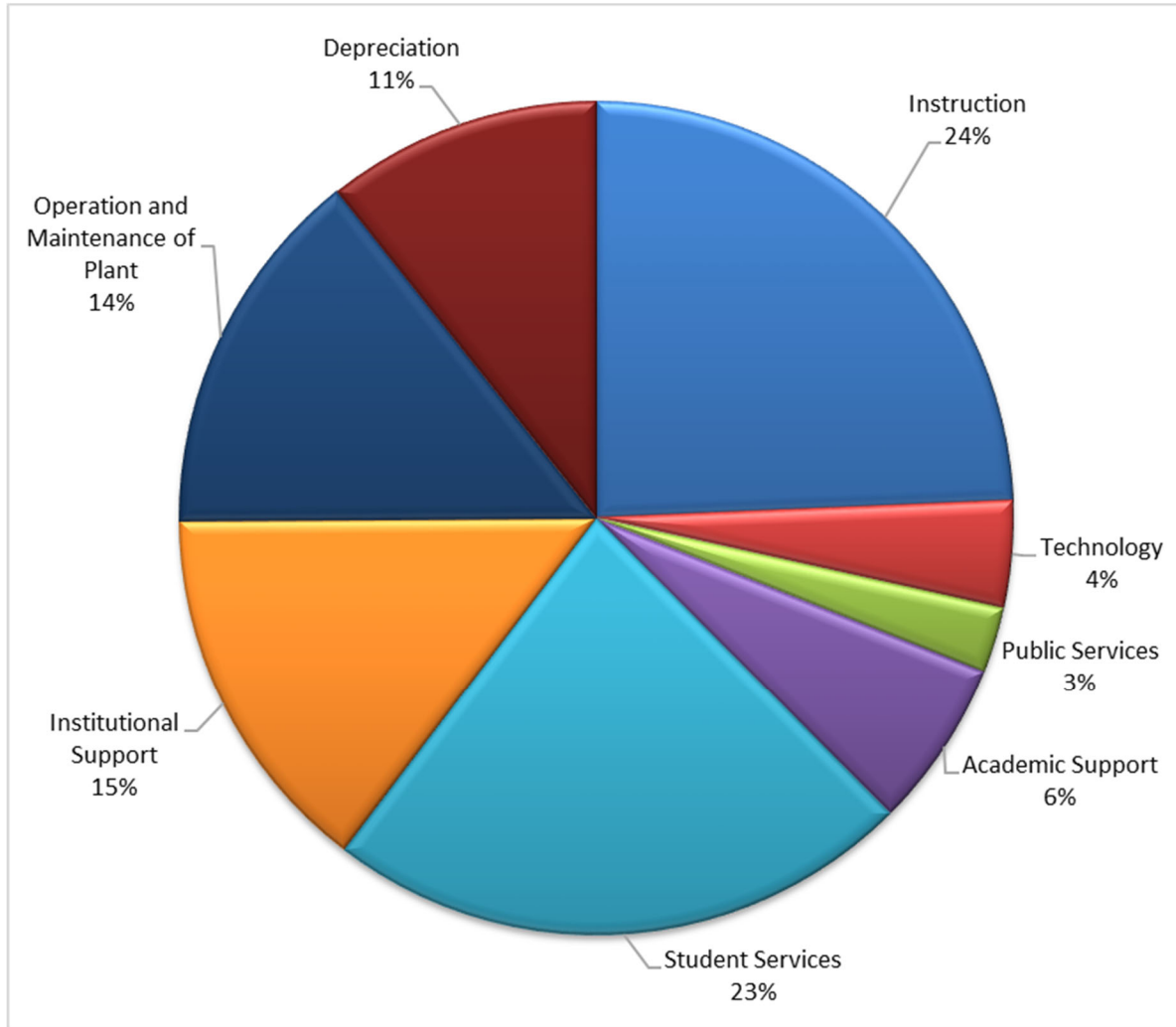
### Operating Expenses

Operating expenses include all the costs necessary to perform and conduct the programs and primary purposes of the College such as wages and benefits, professional services, utilities, supplies, staff development and depreciation expense. For purposes of the audit, operating expenses are presented according to the State of Michigan's Activities Classification Structure (ACS). Operating expenses for the fiscal year ended June 30, 2022 consist of the following:

Instruction	\$4,009,194
Technology	674,846
Public Services	423,450
Academic Support	1,075,595
Student Services	3,754,282
Institutional Support	2,396,851
Operation and Maintenance of Plant	2,375,595
Depreciation	<u>1,758,713</u>
Total	<u>\$16,468,526</u>

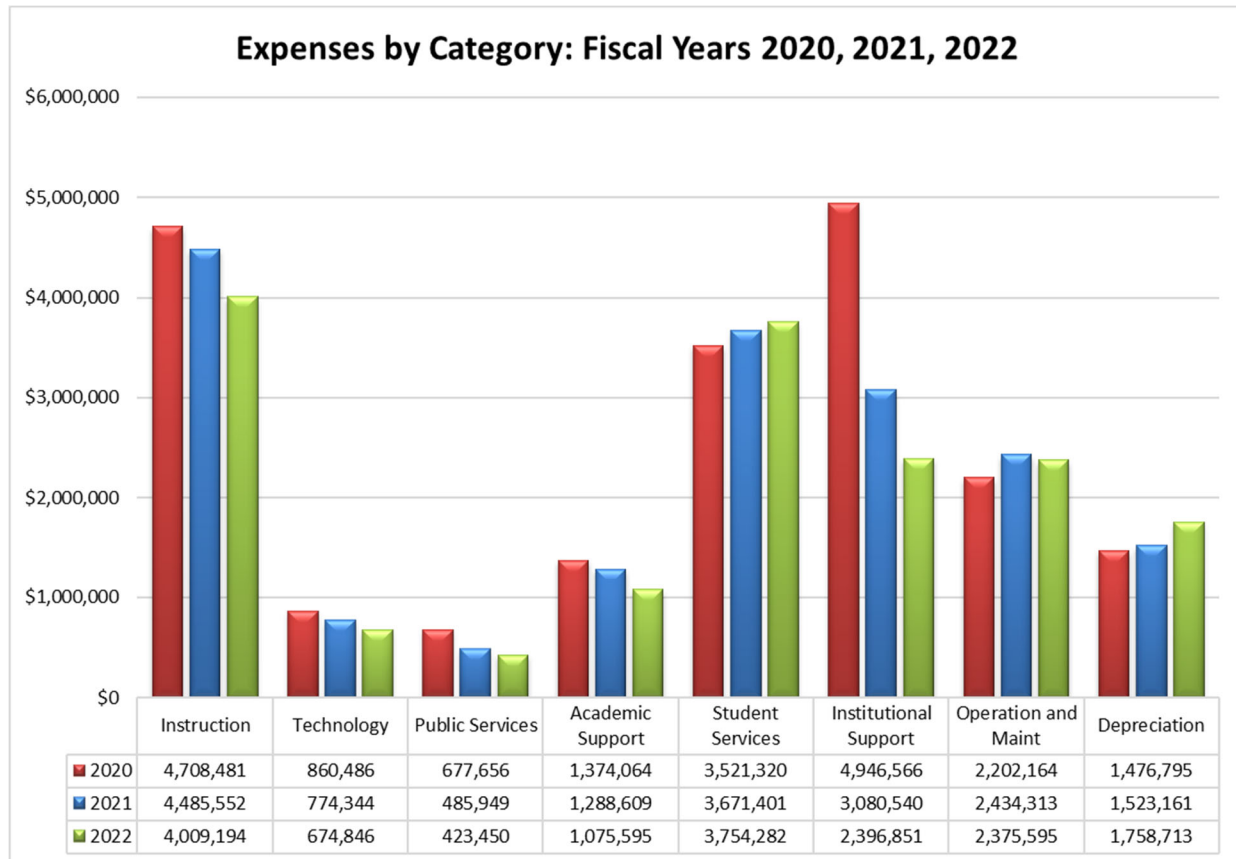
## Management's Discussion and Analysis

The following pie chart depicts the percentage of operating expenses by function for the year ended June 30, 2022:



## Management's Discussion and Analysis

Operating expenses in 2022 decreased by 7% from 2021. A comparison of current year expenses to the prior two years is presented below:



Significant changes in expenses from 2021 to 2022 are as follows:

- Instruction expenditures decreased by 11%. In 2021 instruction was managed to ensure students were safely separated with managed numbers in classrooms. This created increased payroll costs. In 2022 that was not the case.
- Technology expenditures decreased by 13% due to technology changes focusing on the online environment, which continued to be covered under CARES funding.
- Public Service expenditures decreased by 13%, as we continued to manage our performing arts events in a virtual environment, with minimal expense.
- Academic Support expenditures decreased by 17% primarily due to lower staffing.
- Institutional Support expenditures decreased by 22% from reductions in professional services fees associated with the Manistee project, which was completed in 2021.



## Management's Discussion and Analysis

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Significant changes in expenses from 2020 to 2021 are as follows:

- Instruction expenditures decreased by 5% primarily due to reduced materials and supplies expended during the pandemic, with a more virtual teaching environment.
- Technology expenditures decreased by 10% due to technology changes focused on online environment, covered under CARES funding.
- Public Service expenditures decreased by 28% due primarily to a complete shutdown of all performing arts events, transferred to a virtual environment, with minimal expense.
- Institutional Support expenditures decreased by 38% primarily due to the completion of the water tower capital project.
- Operations and Maintenance of Plant expenditures increased by 11% with expenditures in HVAC system repairs, ice arena expenditures, and professional services.

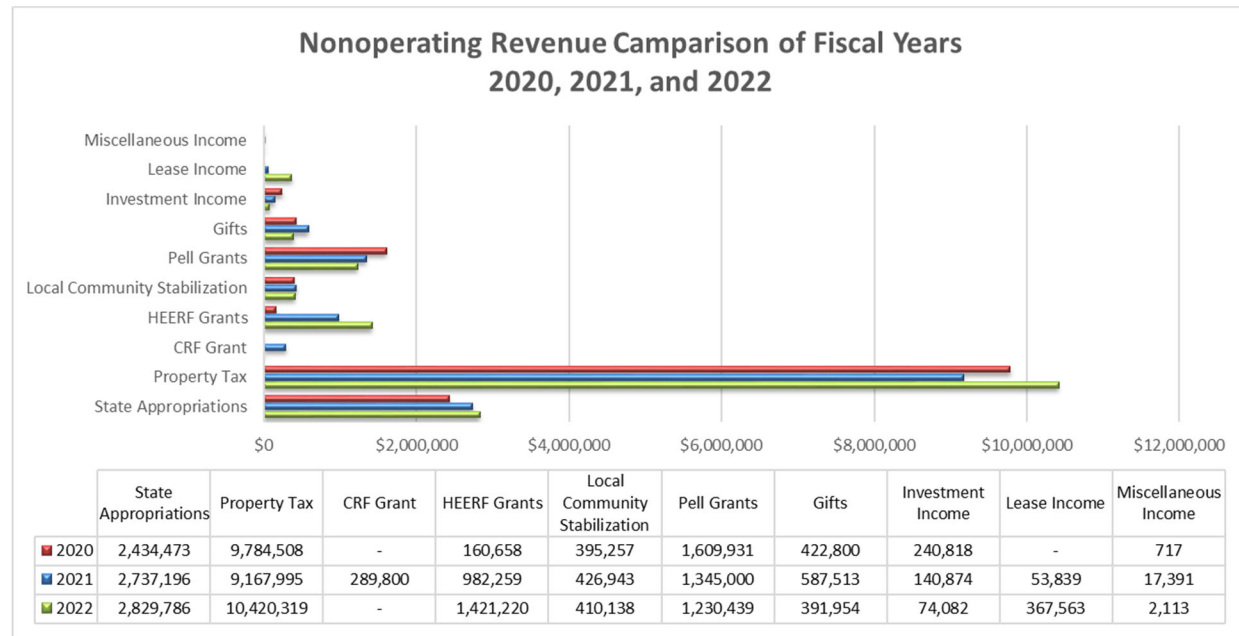




## Management's Discussion and Analysis

### Nonoperating Revenues

Nonoperating revenues are revenue sources that are primarily non-exchange in nature. They consist primarily of property tax revenue, state appropriations, Pell grants, gifts to the College, and investment income. In 2021 and 2022, we have also recorded revenues from the Coronavirus Relief Fund grant (CRF) and the Federal Higher Education Emergency Relief Fund grants (HEERF).



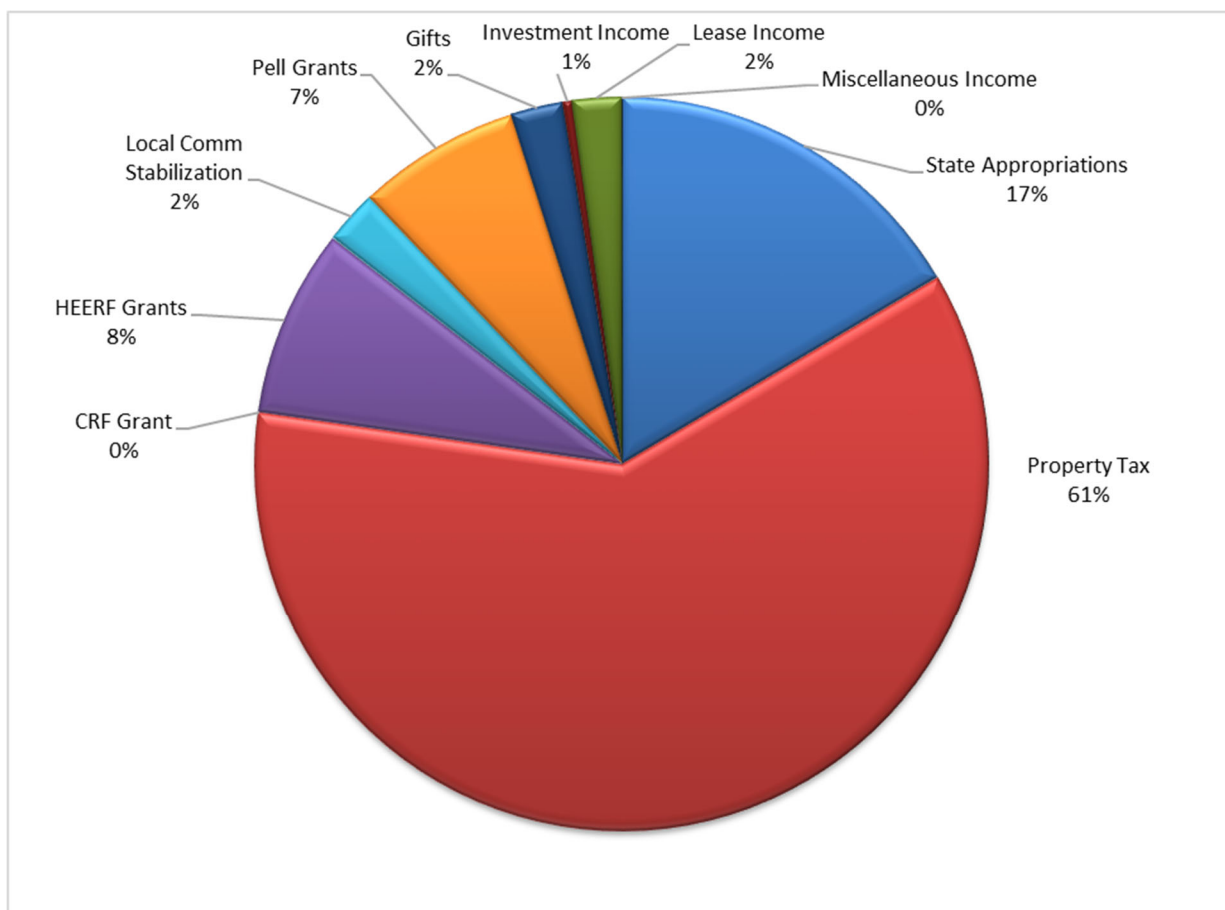
Nonoperating revenue changes for 2022, 2021, and 2020 were the result of the following factors:

- Total state appropriations to the College increased from 2020 to 2021 and 2022 from a state directed reduction in funding in 2020 that was not seen in 2021, nor 2022.
- Property tax revenue decreased 6% from 2020 to 2021 from a decision to reduce the capital millage for 2021 and increased 14% from 2021 to 2022 due to an increase in property values within the College's district. In August, 2021 the renewable millage was approved for another eight years for the same rate.
- In 2021, the College had received \$289,800 in total funding from the Coronavirus Relief Fund grant (This funding has been fully expended and there is not additional grant funding to be awarded.). The College also received nearly \$4 million in HEERF funding - \$1.7 million designated as direct student aid and \$2.3 million as institutional funding. To date, the College has received over \$1.5 million in Federal Higher Education Emergency Relief Fund (HEERF) grants for qualified expenditures, with \$1.3 million remaining to expend and be awarded as either direct student aid or institutional monies.

## Management's Discussion and Analysis

- During the years ended June 30, 2022, June 30, 2021 and June 30, 2020, the College received \$410,138, \$426,943 and \$395,257, respectively, from the Local Community Stabilization Authority which is issuing personal property tax reimbursements.
- Federal Pell grants continue to be a funding source for students for financial aid, however they decreased 9% due to a decrease in enrollment from 2021 to 2022. Pell grants also decreased 16% due to a decrease in enrollment from 2020 to 2021.

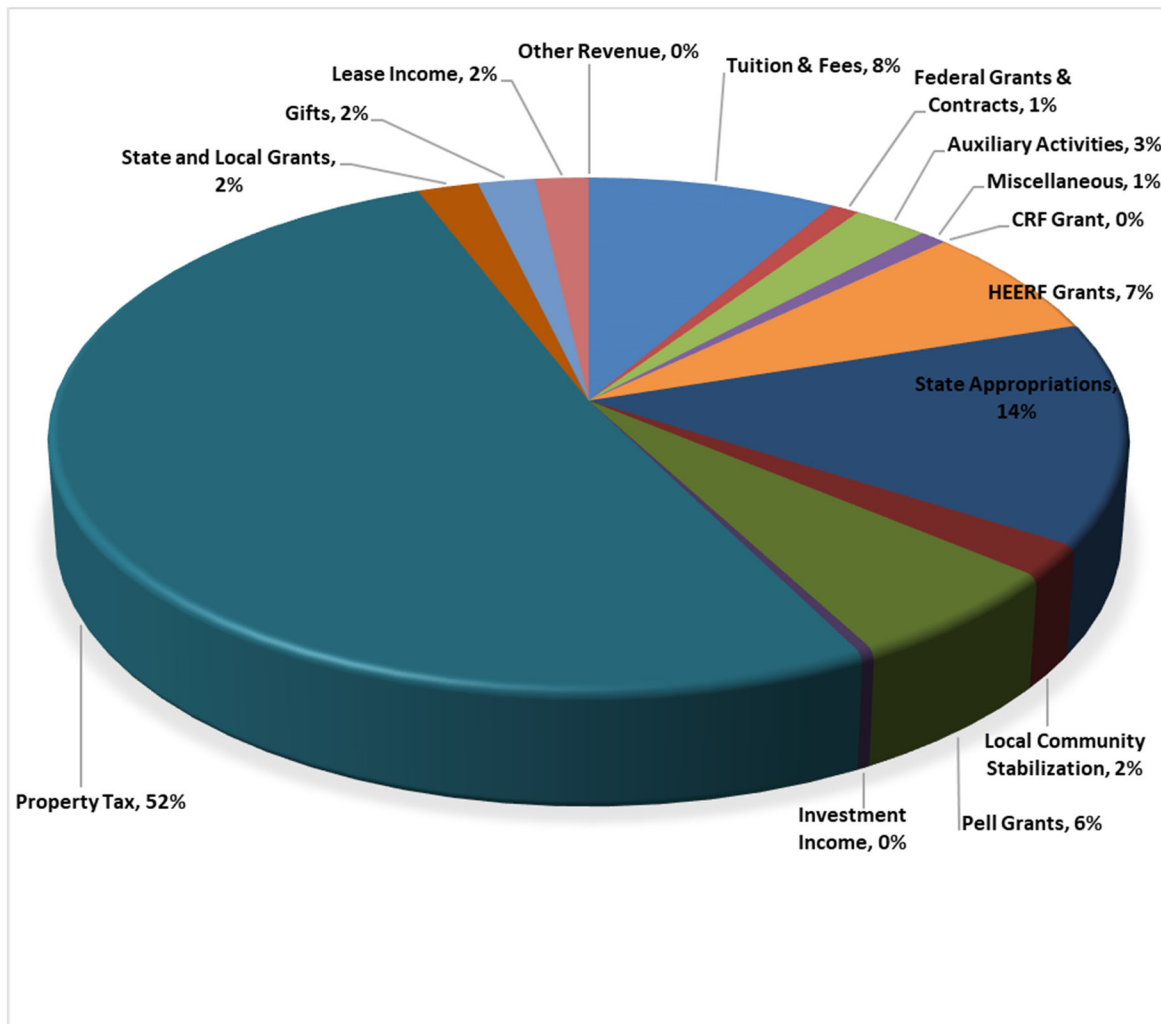
The following chart is representative of nonoperating revenues by source for the year ended June 30, 2022:



### Revenue Summary

Total revenue for the year ended June 30, 2022 was \$20,179,619, an increase from 2021 total revenue of \$19,008,332 and decrease from 2020 total revenue of \$20,407,366.

The following pie chart illustrates the breakdown of total revenues by source for the year ended June 30, 2022:





## Management's Discussion and Analysis

### Statement of Cash Flows

The primary purpose of this statement is to provide relevant information about the cash receipts and cash disbursements of the College during the fiscal year. The Statement of Cash Flows may also help users assess:

- The College's ability to generate future net cash flows
- The College's ability to meet obligations as they come due
- The College's need for external financing

Following is a comparison of the major components of the cash flows of the College for years ended June 30:

#### Cash Flows for the Years Ended June 30 (in thousands)

	2022	2021	2020
Cash provided (used) by:			
Operating activities	\$ (13,350)	\$ (13,357)	\$ (16,297)
Noncapital financing activities	13,458	13,133	12,069
Capital and related financing activities	2,500	(2,304)	(184)
Investing activities	<u>2,226</u>	<u>3,323</u>	<u>4,568</u>
Net increase in cash	4,834	795	156
Cash and equivalents - beginning of year	<u>3,607</u>	<u>2,812</u>	<u>2,656</u>
Cash and equivalents - end of year	<u>\$ 8,441</u>	<u>\$ 3,607</u>	<u>\$ 2,812</u>

Overall the College's year end cash position increased by almost \$5 million. Major sources of funds from operations came from tuition, fees, grants, and auxiliary activities. These sources were offset by expenditures for operations such as payments to employees and suppliers. Noncapital financing activities had receipts from HEERF, State appropriations, Pell grants, and property taxes. Investing activities has receipts due to the sale of investments. The College decreased certificate of deposit holdings in 2022 by approximately \$1.3 million due to a weak market return. More detailed information about the College's cash flow is presented in the financial statements.



## Management's Discussion and Analysis

### Capital Assets

At June 30, 2022, the College had \$38 million invested in capital assets, net of accumulated depreciation of \$26.5 million. Depreciation charges totaled \$1,758,713 for the year ended June 30, 2022. Details of these assets at June 30 are shown in the following table.

**Capital Assets as of June 30**  
**(in thousands)**

	2022	2021	2020
Land and land improvements	\$ 2,413	\$ 2,413	\$ 2,413
Buildings and improvements	55,781	44,406	44,114
Furniture, fixtures, and equipment	4,599	4,465	4,320
Library materials	631	620	605
Artwork	757	755	347
Construction in progress	255	11,031	7,222
	64,436	63,690	59,021
Less: accumulated depreciation	(26,501)	(24,752)	(23,228)
Net capital assets	<u>\$ 37,935</u>	<u>\$ 38,938</u>	<u>\$ 35,793</u>

A capital millage was renewed in 2015 for an additional ten years. The capital millage brings in nearly \$3.0 million annually for equipment, technology, deferred maintenance and capital projects. The ability of the College to address deferred maintenance with capital millage funds has allowed the College to keep buildings up to exceptional standards and make improvements of physical space and energy efficiencies for operational savings. Additionally, through these dollars, major construction projects to date have been completed free of debt.

Construction in progress as of June 30, 2022 included a few small open projects, one of which is a streaming studio for the College's arts programs and robotic equipment for improvements to the College's robotics program.

More detailed information about the College's capital assets is presented in the footnotes to the financial statements.



## Management's Discussion and Analysis

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### **Economic Factors That Will Affect the Future**

As the world comes out of the COVID-19 pandemic, the College continues to maneuver its way back to a state of "new normal." Fortunately, the financial impact to students and the College was minimized by the introduction of multiple federal and state grant awards given to many educational institutions. The College was awarded over \$2.5 million through two federal relief funds used to manage improvements on campus to ensure better online learning and safer facilities through social distancing. These additional funding sources are limited in their use; however, they do assist in the operations of the College to ensure the best instruction for the students. In addition to support of the College, the federal government awarded student aid funding in excess of \$1.6 million, of which over \$1 million has already been awarded.

As the economy shows signs of an impending recession, the College continues to take a conservative stance on financial matters. The College is forecasted to receive an additional 10% in state appropriations in 2023 compared to 2022. Property tax revenue continues to be a strong revenue source. With rising rates on eligible investments, College investment revenue will increase over historically low rates. College support through the Foundation is expected to be diminished as the Foundation's investment portfolio is impacted by the 2022 drops in the market.

The College has been able to assist a more diverse range of students with the introduction of state funding through the Michigan Reconnect and Futures for Frontliners programs. Almost \$150,000 in awards were given to students in these programs. Strong continued state support of these and new scholarship programs provides the College the opportunity to gain additional students.

Despite scholarship opportunities for students, as with most community colleges across the state and country, the College has experienced declining enrollments. A decline in both the Michigan and local population contributes to lower enrollments as does low unemployment rates. The 21-22 academic year saw an enrollment decline of over 6%. For FY23, the Board approved an 4.5% tuition rate increase which offsets enrollment declines.

The College is self-funded for employee healthcare costs. The College continues to promote a Health and Wellness program for its employees in an effort to reduce healthcare costs. Employee contributions toward health benefit costs have increased significantly over the past few years with the enactment of Public Act 152 of 2011. After two years of a pandemic, healthcare costs are anticipated to increase even more as more elective procedures are performed after being held throughout the period of the pandemic.

Through strong state support of programs such as a new Bachelor of Science in Nursing program in conjunction with a university, the College can increase students and better serve the community. There are new efforts of collaboration throughout Michigan which will provide opportunities for the College to work in conjunction with other educational partners, state agencies, and business to increase skill, certificate, and degree training throughout Michigan. The College continues to look for ways to innovate and serve and should soon be the first college in the state to offer an LPN apprenticeship program. Through this mindset of adapting to the situation, the College is well positioned to adjust to changing economic conditions.

## **INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

November 3, 2022

To the Board of Trustees  
West Shore Community College  
Scottville, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities, and the discretely presented component unit of **West Shore Community College** (the "College"), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2022 and 2021, and the respective changes in financial position, and where applicable, the cash flows thereof, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. The financial statements of West Shore Community College Foundation were not audited in accordance with *Government Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Implementation of GASB Statement No. 87*

As described in Notes 2 and 10, in fiscal 2022 the College implemented the provisions of GASB Statement No. 87, *Leases*, effective July 1, 2020. Our opinion is not modified with respect to this matter.



### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the combining statements of net position, the combining statements of revenues, expenses, transfers and changes in net position, and the combining schedules of auxiliary activities fund but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated November 3, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

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## **FINANCIAL STATEMENTS**

# WEST SHORE COMMUNITY COLLEGE

## Statements of Net Position

	June 30	
	2022	2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 8,440,930	\$ 3,607,166
State appropriation receivable	596,670	603,903
Accounts receivable, net	290,530	370,918
Federal and state grants receivable	714,037	574,721
Lease receivables - current portion	143,016	152,716
Inventories	42,445	51,146
Prepaid expenses	267,263	65,144
Short-term investments	2,793,929	3,294,937
Due (to) from Foundation	(160,468)	186,079
<b>Total current assets</b>	<b>13,128,352</b>	<b>8,906,730</b>
<b>Noncurrent assets</b>		
Investments	2,529,381	3,528,078
Lease receivables - net of current portion	3,938,657	896,842
Capital assets not being depreciated	1,163,915	11,936,599
Capital assets being depreciated, net	36,771,434	27,002,015
<b>Total noncurrent assets</b>	<b>44,403,387</b>	<b>43,363,534</b>
<b>Total assets</b>	<b>57,531,739</b>	<b>52,270,264</b>
<b>Deferred outflows of resources</b>		
Deferred pension amounts	2,206,305	3,295,699
Deferred OPEB amounts	845,069	1,134,723
<b>Total deferred outflows of resources</b>	<b>3,051,374</b>	<b>4,430,422</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	718,611	537,607
Accrued payroll and other liabilities	918,105	875,340
Deposits	71,534	56,738
Unearned revenue	125,754	86,334
<b>Total current liabilities</b>	<b>1,834,004</b>	<b>1,556,019</b>
<b>Noncurrent liabilities</b>		
Net pension liability	10,563,604	15,283,455
Net OPEB liability	663,440	2,346,072
<b>Total noncurrent liabilities</b>	<b>11,227,044</b>	<b>17,629,527</b>
<b>Total liabilities</b>	<b>13,061,048</b>	<b>19,185,546</b>
<b>Deferred inflows of resources</b>		
Deferred pension amounts	4,906,923	2,127,358
Deferred OPEB amounts	2,882,764	2,336,683
Deferred lease amounts	4,043,905	1,073,719
<b>Total deferred inflows of resources</b>	<b>11,833,592</b>	<b>5,537,760</b>
<b>Net position</b>		
Investment in capital assets	37,935,349	38,938,614
Restricted for:		
Nonexpendable scholarships	163,087	163,087
Expendable student loans	88,280	87,840
Expendable scholarships	-	121,655
Expendable capital projects	5,324,168	2,829,089
Unrestricted deficit (Note 2)	(7,822,411)	(10,162,905)
<b>Total net position</b>	<b>\$ 35,688,473</b>	<b>\$ 31,977,380</b>

The accompanying notes are an integral part of these financial statements.

# WEST SHORE COMMUNITY COLLEGE

## Statements of Revenues, Expenses and Changes in Net Position

	Year Ended June 30	
	2022	2021
<b>Operating revenues</b>		
Tuition and fees, net of scholarship allowance of \$1,147,000 in 2022 and \$1,159,000 in 2021	\$ 1,709,812	\$ 1,898,135
Federal grants	197,581	164,033
State and local grants	421,290	396,270
Auxiliary activities, net of scholarship allowance of \$21,116 in 2022 and \$51,630 in 2021	517,104	320,850
Miscellaneous	186,218	207,090
<b>Total operating revenues</b>	<b>3,032,005</b>	<b>2,986,378</b>
<b>Operating expenses</b>		
Instruction	4,009,194	4,485,552
Technology	674,846	774,344
Public service	423,450	485,949
Academic support	1,075,595	1,288,609
Student services	3,754,282	3,671,401
Institutional support	2,396,851	3,080,540
Operation and maintenance of plant	2,375,595	2,434,313
Depreciation	1,758,713	1,523,161
<b>Total operating expenses</b>	<b>16,468,526</b>	<b>17,743,869</b>
<b>Operating loss</b>	<b>(13,436,521)</b>	<b>(14,757,491)</b>
<b>Nonoperating revenues</b>		
State appropriations	2,829,786	2,737,196
Coronavirus Relief Fund grant	-	289,800
Federal Higher Education Emergency Relief Fund grants	1,421,220	982,259
Local Community Stabilization	410,138	426,943
Property taxes	10,420,319	9,167,995
Pell grants	1,230,439	1,345,000
Gifts	391,954	587,513
Investment income	74,082	140,874
Lease income	367,563	53,839
Miscellaneous income	2,113	17,391
<b>Total nonoperating revenues</b>	<b>17,147,614</b>	<b>15,748,810</b>
<b>Income before other revenues</b>	<b>3,711,093</b>	<b>991,319</b>
<b>Other revenues</b>		
State capital appropriations	-	83,144
Capital gifts	-	190,000
<b>Total other revenues</b>	<b>-</b>	<b>273,144</b>
<b>Increase in net position</b>	<b>3,711,093</b>	<b>1,264,463</b>
Net position, beginning of year	31,977,380	30,712,917
<b>Net position, end of year</b>	<b>\$ 35,688,473</b>	<b>\$ 31,977,380</b>

The accompanying notes are an integral part of these financial statements.

# WEST SHORE COMMUNITY COLLEGE

## Statements of Cash Flows

	Year Ended June 30	
	2022	2021
<b>Cash flows from operating activities</b>		
Tuition and fees	\$ 1,829,620	\$ 2,042,123
Grants	479,555	579,024
Payments to suppliers	(5,032,369)	(6,155,362)
Payments to employees	(11,330,086)	(10,350,340)
Auxiliary activities receipts	517,104	320,850
Other receipts	186,218	207,090
<b>Net cash used in operating activities</b>	<b>(13,349,958)</b>	<b>(13,356,615)</b>
<b>Cash flows from noncapital financing activities</b>		
Property taxes - operations	7,167,425	7,093,511
Coronavirus Relief Fund grant	-	289,800
Federal Higher Education Emergency Relief Fund grants	1,421,220	982,259
Pell grants	1,230,439	1,345,000
State appropriations	2,837,019	2,408,149
Local Community Stabilization	410,138	426,943
Federal direct lending receipts	579,871	359,399
Federal direct lending disbursements	(579,871)	(359,399)
Gifts and contributions for other than capital purposes	391,954	587,513
<b>Net cash provided by noncapital financing activities</b>	<b>13,458,195</b>	<b>13,133,175</b>
<b>Cash flows from capital and related financing activities</b>		
Property taxes - capital	3,252,894	2,074,484
State capital appropriations	-	83,144
Capital gifts	-	190,000
Other proceeds	2,113	17,391
Purchase of capital assets	(755,448)	(4,668,950)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>2,499,559</b>	<b>(2,303,931)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	1,493,695	3,569,066
Reinvestment of earnings	-	(104,021)
Investment income	80,092	134,438
Purchase of investments	-	(179,421)
Lease payments received	305,634	78,000
Collection of Notes Receivable - College Foundation	346,547	(176,139)
<b>Net cash provided by investing activities</b>	<b>2,225,968</b>	<b>3,321,923</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,833,764</b>	<b>794,552</b>
Cash and cash equivalents at beginning of year	3,607,166	2,812,614
<b>Cash and cash equivalents at end of year</b>	<b>\$ 8,440,930</b>	<b>\$ 3,607,166</b>



# WEST SHORE COMMUNITY COLLEGE

## Statements of Cash Flows

	Year Ended June 30	
	2022	2021
<b>Reconciliation of operating loss to net cash used in operating activities</b>		
Operating loss	\$ (13,436,521)	\$ (14,757,491)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	1,758,713	1,523,161
Change in operating assets and liabilities which provided (used) cash		
Accounts receivable, net	80,388	168,302
Federal and state grants receivable	(139,316)	18,721
Inventories	8,701	8,890
Prepaid expenses	(202,119)	(5,906)
Accounts payable	181,004	(15,240)
Accrued payroll and other liabilities	42,765	76,262
Deposits	14,796	7,292
Unearned revenue	39,420	(24,314)
Net pension liability	(4,719,851)	107,964
Pension deferred outflows	2,779,565	968,642
Pension deferred inflows	1,089,394	(814,802)
OPEB liability	(1,682,632)	(812,868)
OPEB deferred outflows	546,081	(154,187)
OPEB deferred inflows	289,654	348,959
<b>Net cash used in operating activities</b>	<b><u>\$ (13,349,958)</u></b>	<b><u>\$ (13,356,615)</u></b>

concluded

The accompanying notes are an integral part of these financial statements.

## WEST SHORE COMMUNITY COLLEGE FOUNDATION

### Statements of Financial Position

	June 30	
	2022	2021
<b>Assets</b>		
Investments	\$ 8,990,948	\$ 10,179,872
Pledges receivable, net	656,200	1,050,400
Due from WSCC	160,468	-
<b>Total assets</b>	<b>\$ 9,807,616</b>	<b>\$ 11,230,272</b>
<b>Liabilities</b>		
Due to WSCC	\$ -	\$ 186,079
<b>Net assets</b>		
Without donor restrictions	3,233,402	3,549,991
With donor restrictions	6,574,214	7,494,202
<b>Total net assets</b>	<b>\$ 9,807,616</b>	<b>\$ 11,044,193</b>
<b>Total liabilities and net assets</b>	<b>\$ 9,807,616</b>	<b>\$ 11,230,272</b>

The accompanying notes are an integral part of these financial statements.

## WEST SHORE COMMUNITY COLLEGE FOUNDATION

### Statements of Activities and Changes in Net Assets

	Year Ended June 30	
	2022	2021
<b>Revenues, support and (losses) gains</b>		
Contributions	\$ 376,844	\$ 220,588
Net investment (loss) return	<u>(1,188,926)</u>	<u>1,773,615</u>
<b>Total revenues, support and (losses) gains</b>	<b><u>(812,082)</u></b>	<b><u>1,994,203</u></b>
<b>Expenses</b>		
Program services:		
Distributions to West Shore Community College	278,962	456,345
Supportive services:		
General administration	91,240	4,032
Fundraising	<u>54,293</u>	<u>1,450</u>
<b>Total expenses</b>	<b><u>424,495</u></b>	<b><u>461,827</u></b>
<b>(Decrease) increase in net assets</b>	<b><u>(1,236,577)</u></b>	<b><u>1,532,376</u></b>
Net assets, beginning of year	<u>11,044,193</u>	<u>9,511,817</u>
<b>Net assets, end of year</b>	<b><u>\$ 9,807,616</u></b>	<b><u>\$ 11,044,193</u></b>

The accompanying notes are an integral part of these financial statements.

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### 1. NATURE OF ENTITY AND BASIS OF PRESENTATION

#### *Reporting Entity*

**West Shore Community College** (the “College”) is a Michigan community college whose financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, and the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*.

West Shore Community College, established in 1967, is located near Scottville, Michigan. The College provides educational services to residents of Manistee and Mason Counties as well as portions of Lake, Oceana, and Newaygo Counties. A seven-member Board, which is elected by residents of the aforementioned counties who are located within the College’s District, governs the College.

The accompanying financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the College has one component unit.

#### *Discretely Presented Component Unit*

The West Shore Community College Foundation (the “Foundation”) is a not-for-profit corporation formed to solicit, collect, and invest donations made for the promotion of educational and cultural activities at the College. The Foundation is a discretely presented component unit reported in separate statements within these financial statements to emphasize that it is legally separate from the College. (See Note 8 for additional information.)

Although the College does not necessarily control the timing or amount of receipts from the Foundation, the majority of resources, or income earned thereon, and the Foundation’s holdings and investments are restricted by the donors to the activities of the Foundation. The Foundation is a discretely presented component unit of the College because, in addition to meeting other GASB criteria, the Foundation’s Board of Directors does not consist substantially of members who are also the College’s Board of Trustees. Additionally, the restricted resources held by the Foundation can be used only by, or for the benefit of, the College.

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### *Risks and Economic Uncertainties*

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. The extent of the ultimate impact of the pandemic on the College's operational and financial performance continues to depend on various developments, including the duration and spread of the outbreak, and its impact on students, employees, and vendors, all of which cannot be reasonably predicted at this time. In response to the pandemic, the College has been awarded Higher Education Emergency Relief Funds ("HEERF") totaling \$2,276,616 cumulatively through 2022 from the Coronavirus Aid, Relief and Economic Security Act, the Coronavirus Response and Relief and Supplemental Appropriations Act, and American Rescue Plan Act. The College recognized revenue from these awards of \$1,421,220 and \$982,259 during 2022 and 2021, respectively. The College was additionally awarded funding in the amount of \$289,800 during fiscal year 2021 through the Coronavirus Relief Fund, passed through the State of Michigan. While management reasonably expects the COVID-19 outbreak to negatively impact the College's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

### *Reclassification*

Certain amounts as reported in the 2021 financial statements have been reclassified to conform with the 2022 presentation.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed by the College are described below to enhance the usefulness of the financial statements to the reader:

### *Basis of Presentation*

The financial statements have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

### *Cash and Cash Equivalents*

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less.

### *Investments*

Investments consist of certificates of deposit. Investments are recorded at the initial investment amount plus earned interest. These investments earn interest at rates ranging from .01% to 2.50% and the certificates of deposit mature at various dates through September 2024. Short-term investments include certificates of deposit with initial maturities greater than three months and less than twelve months.

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### ***Accounts Receivable***

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense when necessary and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The accounts receivable allowance at June 30, 2022 and 2021 was \$50,000 and \$59,825, respectively.

### ***Lease Receivables***

In accordance with GASB Statement No. 87, *Leases*, the College records a lease receivable on leases that span more than 12 months. More detailed information can be found in Note 10.

### ***Inventories***

Inventories are stated at the lower of cost or market using the first-in, first-out method. The inventory consists of food and supplies for food service, books and supplies for the bookstore and supplies for the ice arena pro-shop.

### ***Prepaid Expenses***

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

### ***Capital Assets and Depreciation***

Capital assets are recorded at cost or, if acquired by gift, at the estimated acquisition cost as of the date of donation. Capital assets are assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Library materials are recorded at cost at date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is provided for capital assets on a straight-line basis of the estimated useful life of the assets.

The following estimated useful lives are used to compute depreciation:

Land improvements	15-20 years
Buildings and improvements	10-50 years
Furniture, fixtures and equipment	3-15 years
Library materials	5 years

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### ***Deferred Outflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense) until then. The College reports deferred outflows of resources for certain pension and other postemployment benefits (OPEB) related amounts, such as differences in expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension and OPEB plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 5.

### ***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension and OPEB related amounts, such as the difference between projected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension and OPEB plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and the pension portion of Sec. 147C state aid revenue received subsequent to the measurement date. More detailed information can be found in Note 5. The College also, in accordance with GASB Statement No. 87, *Leases*, reports deferred inflows for the present value of leases for which the College is the Lessor. The amounts are deferred and income is recognized over the remaining life of the leases. More detailed information can be found in Note 10.

### ***Net Pension Liability***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### ***Net OPEB Liability***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the Plan, and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### ***Revenue Recognition***

Revenue from state appropriations is recognized in accordance with the accounting method described in the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*, which provides that state appropriations are recorded as revenue in the period for which such amounts are appropriated. Student tuition and related revenues and expenses of an academic semester are reported in the fiscal year in which the program is conducted. Property taxes are recorded as revenue when received which approximates the amounts levied.

The College does not recognize as revenue sources held for others, such as Federal Direct Loans, where the institution serves only as a conduit.

Operating revenues of the College consist of tuition and fees, grants and contracts, and auxiliary enterprise revenues. Transactions related to capital and financing activities, noncapital financing activities, investing activities, state appropriations, property taxes, and Pell grants are components of nonoperating and other revenues. For financial reporting purposes, restricted resources are deemed to be utilized first when both restricted and unrestricted resources are available to satisfy expenses. Revenues related to Federal Higher Education Emergency Relief Fund grants and the Coronavirus Relief Fund grant are recognized when the funds are spent on qualifying programs and are considered nonoperating revenues.

### ***Unearned Revenues***

Unearned revenue at June 30, 2022 and 2021, consists of revenues received prior to year end that are related to the next fiscal period. The \$125,754 balance at June 30, 2022, includes \$79,733 of unearned revenue on the summer semester which began on June 7, 2022, and ended on July 30, 2022. The \$86,334 balance at June 30, 2021, includes \$83,566 of unearned revenue on the summer semester which began on June 7, 2021, and ended on July 30, 2021.

### ***Gifts***

Gifts are recorded when received and pledges are recorded when it is determined that the gift is probable of collection at its net present value.

### ***Internal Service Activities***

Both revenue and expenses related to internal service activities including office equipment, telecommunications, and institutional computing have been eliminated.



## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

#### ***Compensated Absences***

Compensated absences represent the accumulated liability to be paid under the College's vacation pay and compensatory time policy. Under the College's policy, employees earn vacation time based on time of service with the College. Compensatory time is based on hours worked in excess of a regular work week.

#### ***Property Taxes***

The College's property tax is levied and becomes a lien on July 1 and December 1, based on the assessed value listed as of the prior December 31. Local governmental units within the College's District collect and remit taxes until March 1, at which time the uncollected real property taxes are turned over to the County as delinquent. Delinquent real property taxes are funded by County bond issues and remitted to the College. Delinquent personal property taxes are recorded as revenue when received.

#### ***Restricted Net Position***

Restricted net position represents amounts over which third parties have imposed restrictions that cannot be changed by the Board. The restricted balance consists primarily of funds restricted for endowments, scholarships, grants and capital purposes. Funds held by the College for restricted purposes were \$5,575,535 and \$3,201,671 at June 30, 2022 and 2021, respectively.

#### ***Investment in Capital Assets***

Investment in capital assets represents capital assets, net of accumulated depreciation.

#### ***Unrestricted Net Position***

The College's unrestricted net position (deficit) is as follows at June 30:

	2022	2021
Pension and OPEB (deficit)	\$ (15,965,357)	\$ (17,663,146)
Other unrestricted	<u>8,142,946</u>	<u>7,500,241</u>
<b>Total</b>	<b><u><u>\$ (7,822,411)</u></u></b>	<b><u><u>\$ (10,162,905)</u></u></b>

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### *Use of Estimates*

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, and deferred outflows and inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include but are not limited to the calculation of lost revenue under HEERF, the net pension and OPEB liability, and deferred outflows and inflows related to pension and OPEB amounts. These estimates were independently developed by the Michigan Public School Employees Retirement System, and are not under the control of the College.

### *Change in Accounting Principle*

For 2022, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of the standard, effective July 1, 2020, did not have an impact on the College's assets, net position, or deferred inflows because the College didn't enter into any lease agreements as the lessor until fiscal 2021. The College restated its statement of net position as of June 30, 2021 by increasing assets by \$1,049,558 and deferred inflows of resources by \$1,073,719 and its statement of revenues, expenses, and changes in net position for the year ended June 30, 2021 by decreasing revenues by \$24,161. Additional disclosure is found in Note 10.

## 3. CASH AND INVESTMENTS

As of June 30, 2022 and 2021, cash and investments consist of deposits with financial institutions. Cash consists of depository accounts and investments consist of certificates of deposit.

### *Interest Rate Risk*

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The College has a formal investment policy; however, it does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

### *Credit Risk*

State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The College has no investment policy that would further limit its investment choices.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

#### ***Concentration of Credit Risk***

The College does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the College's investment in a single issuer. By diversifying the investment portfolio, the impact of potential losses from any one type of security or issuer will be minimized.

#### ***Custodial Credit Risk – Deposits***

In the case of deposits, this is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2022 and 2021, \$665,507 and \$473,347, respectively, of the College's bank balance of \$13,764,240 and \$10,430,181 was exposed to custodial credit risk because it was either uninsured or not collateralized with securities held by the pledging financial institution's trust department or agent, in the College's name.

#### ***Custodial Credit Risk – Investments***

State law does not require and the College does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

#### ***Foreign Currency Risk***

The College is not authorized by state law to invest in investments which have this type of risk.

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### 4. CAPITAL ASSETS, NET

Capital asset activity for the years ended June 30 was as follows:

	Balance July 1, 2021	Additions	Transfers and Retirements	Balance June 30, 2022
<b>Capital assets, not being depreciated</b>				
Land	\$ 151,000	\$ -	\$ -	\$ 151,000
Artwork	754,500	2,985	-	757,485
Construction in progress	11,031,099	488,711	(11,264,380)	255,430
Subtotal capital assets, not being depreciated	11,936,599	491,696	(11,264,380)	1,163,915
<b>Capital assets, being depreciated</b>				
Land improvements	2,261,910	-	-	2,261,910
Buildings and improvements	44,406,292	11,374,991	-	55,781,283
Furniture, fixtures and equipment	4,465,216	142,585	(9,250)	4,598,551
Library materials	620,235	10,556	-	630,791
Subtotal capital assets, being depreciated	51,753,653	11,528,132	(9,250)	63,272,535
<b>Total</b>	<b>63,690,252</b>	<b>12,019,828</b>	<b>(11,273,630)</b>	<b>64,436,450</b>
<b>Less accumulated depreciation</b>				
Land improvements	1,293,154	120,690	-	1,413,844
Buildings and improvements	19,967,124	1,291,152	-	21,258,276
Furniture, fixtures and equipment	2,918,898	329,711	(9,250)	3,239,359
Library materials	572,462	17,160	-	589,622
Total accumulated depreciation	24,751,638	1,758,713	(9,250)	26,501,101
Total capital assets, being depreciated, net	27,002,015			36,771,434
<b>Total</b>	<b>\$ 38,938,614</b>			<b>\$ 37,935,349</b>

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

	Balance July 1, 2020	Additions	Transfers and Retirements	Balance June 30, 2021
<b>Capital assets, not being depreciated</b>				
Land	\$ 151,000	\$ -	\$ -	\$ 151,000
Artwork	346,500	408,000	-	754,500
Construction in progress	7,222,230	4,378,344	(569,475)	11,031,099
Subtotal capital assets, not being depreciated	7,719,730	4,786,344	(569,475)	11,936,599
<b>Capital assets, being depreciated</b>				
Land improvements	2,261,910	-	-	2,261,910
Buildings and improvements	44,114,309	291,983	-	44,406,292
Furniture, fixtures and equipment	4,319,978	145,238	-	4,465,216
Library materials	605,375	14,860	-	620,235
Subtotal capital assets, being depreciated	51,301,572	452,081	-	51,753,653
<b>Total</b>	<b>59,021,302</b>	<b>5,238,425</b>	<b>(569,475)</b>	<b>63,690,252</b>
<b>Less accumulated depreciation</b>				
Land improvements	1,172,464	120,690	-	1,293,154
Buildings and improvements	18,913,269	1,053,855	-	19,967,124
Furniture, fixtures and equipment	2,588,065	330,833	-	2,918,898
Library materials	554,679	17,783	-	572,462
Total accumulated depreciation	23,228,477	1,523,161	-	24,751,638
Total capital assets, being depreciated, net	28,073,095			27,002,015
<b>Total</b>	<b>\$ 35,792,825</b>			<b>\$ 38,938,614</b>

As of June 30, 2022, construction in progress consists primarily of expenditures for the Technical Center renovation and expansion. As of June 30, 2022, the College had approximately \$430,000 of outstanding commitments related to the Tech Center.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

Several of the buildings on campus were financed through the issuance of bonds by the State of Michigan Building Authority (SBA). The SBA bonds are secured by pledged rentals to be received from the State of Michigan pursuant to a lease agreement entered into among the SBA, the State of Michigan, and the College. During the lease term, the SBA will hold title to the buildings, the State of Michigan will make all lease payments to the SBA, and the College will be responsible for all operating and maintenance costs. At the expiration of the lease, the SBA will transfer title of the buildings to the College.

#### 5. PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS

##### **Defined Benefit Plan**

###### ***Plan Description***

The Michigan Public School Employees' Retirement System (the "System" or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "State") originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available at the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

###### ***Pension Benefits Provided***

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

A DB member plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

#### ***Other Postemployment Benefits Provided***

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

#### **Contributions**

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over a 18-year period beginning October 1, 2020 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2022, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 14.51% - 15.05% on prior year covered payroll:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	19.78% - 20.14%
Member Investment Plan (MIP)	3.00% - 7.00%	19.78% - 20.14%
	3.00% - 6.40%	16.82% - 17.22%
Pension Plus	6.20%	19.59% - 19.93%
Pension Plus 2		
Defined Contribution	0.00%	13.39% - 13.73%

Required contributions to the pension plan from the College were \$1,528,362, \$1,474,902 and \$1,346,632 for the years ended June 30, 2022, 2021, and 2020, respectively.



## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

The table below summarizes OPEB contribution rates in effect for fiscal year 2022:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.09% - 8.43%
Personal Healthcare Fund (PHF)	0.00%	7.23% - 7.57%

Required contributions to the OPEB plan from the College were \$334,206, \$410,708 and \$365,310 for the years ended June 30, 2022, 2021 and 2020, respectively.

The table below summarizes defined contribution rates in effect for fiscal year 2022:

Benefit Structure	Member Rates	Employer Rates
Defined Contribution	0.00% - 3.00%	0.00% - 7.00%
Personal Healthcare Fund (PHF)	0.00% - 2.00%	0.00% - 2.00%

For the years ended June 30, 2022, 2021 and 2020 required and actual contributions from the College for those members with a defined contribution benefit were \$23,857, \$25,559 and \$23,111, respectively.

#### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2022 and 2021, the College reported a liability of \$10,563,604 and \$15,283,455, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2020 and 2019, respectively. The College's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the College's proportion was .04462%, which was an increase of .00013% points from its proportion measured as of September 30, 2020 of .04449%.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

For the year ended June 30, 2022, the College recognized pension expense of \$478,505. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
<b>2022</b>			
Differences between expected and actual experience	\$ 163,635	\$ 62,207	\$ 101,428
Changes in assumptions	665,892	-	665,892
Net difference between projected and actual earnings on pension plan investments	-	3,396,165	(3,396,165)
Changes in proportion and differences between employer contributions and proportionate share of contributions	29,358	797,450	(768,092)
	858,885	4,255,822	(3,396,937)
College contributions subsequent to the measurement date	1,347,420	-	1,347,420
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	651,101	(651,101)
<b>Total</b>	<b>\$ 2,206,305</b>	<b>\$ 4,906,923</b>	<b>\$ (2,700,618)</b>

The \$1,347,420 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. The \$651,101 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to Sec 147c of the State School Aid Act (PA 94 of 1979), will be recognized as State appropriation revenue for the year ending June 30, 2023. Other amounts as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2023	\$ (808,329)
2024	(817,440)
2025	(856,657)
2026	(914,511)
<b>Total</b>	<b>\$ (3,396,937)</b>

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

For the year ended June 30, 2021, the College recognized pension expense of \$1,501,898. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
<b>2021</b>			
Differences between expected and actual experience	\$ 233,519	\$ 32,620	\$ 200,899
Changes in assumptions	1,693,554	-	1,693,554
Net difference between projected and actual earnings on pension plan investments	64,214	-	64,214
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,496,972	(1,496,972)
	1,991,287	1,529,592	461,695
College contributions subsequent to the measurement date	1,304,412	-	1,304,412
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	597,766	(597,766)
<b>Total</b>	<b>\$ 3,295,699</b>	<b>\$ 2,127,358</b>	<b>\$ 1,168,341</b>

#### ***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2022 and 2021, the College reported a liability of \$663,440 and \$2,346,072 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021 and 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2020 and 2019. The College's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2021, the College's proportion was .04347% which was a decrease of .00032% points from its proportion measured as of September 30, 2020 of .04379%.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

For the year ended June 30, 2022, the College recognized a reduction to OPEB expense of \$576,731. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
<b>2022</b>			
Differences between expected and actual experience	\$ -	\$ 1,893,743	\$ (1,893,743)
Changes in assumptions	554,603	82,989	471,614
Net difference between projected and actual earnings on OPEB plan investments	-	500,047	(500,047)
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,573	405,985	(400,412)
	560,176	2,882,764	(2,322,588)
College contributions subsequent to the measurement date	284,893	-	284,893
<b>Total</b>	<b>\$ 845,069</b>	<b>\$ 2,882,764</b>	<b>\$ (2,037,695)</b>

The \$284,893 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Amount
2023	\$ (705,905)
2024	(602,959)
2025	(459,419)
2026	(397,114)
2027	(138,959)
Thereafter	(18,232)
<b>Total</b>	<b>\$ (2,322,588)</b>

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

For the year ended June 30, 2021, the College recognized a reduction to OPEB expense of \$267,233. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2021	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 1,748,043	\$ (1,748,043)
Changes in assumptions	773,547	-	773,547
Net difference between projected and actual earnings on OPEB plan investments	19,581	-	19,581
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,208	588,640	(584,432)
	797,336	2,336,683	(1,539,347)
College contributions subsequent to the measurement date	337,387	-	337,387
<b>Total</b>	<b>\$ 1,134,723</b>	<b>\$ 2,336,683</b>	<b>\$ (1,201,960)</b>

#### **Actuarial Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

The total pension and OPEB liabilities in the September 30, 2020 and 2019 actuarial valuations (for the fiscal years ended June 30, 2022 and 2021) were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.80%
Pension Plus plan (hybrid)	6.80%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.95%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
Healthcare cost trend rate	7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 (7.0% Year 1 graded to 3.5% Year 15; 3.0% Year 120 in 2019)
Mortality	RP-2014 Male and Female Employee Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006. For retirees, the tables were scaled by 82% for males and 78% for females. For active members, 100% of the table rates were used for both males and females.
Other OPEB assumptions:	
Opt-out assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt-out of the retiree health plan.
Survivor coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2021, are based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4367 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.1312 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2020, are based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4892 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 5.9870 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

#### *Long-term Expected Return on Pension Plan Assets*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 and 2020, are summarized in the following tables:

2021 Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money - Weighted Rate of Return
Domestic equity pools	25.00%	5.09%	1.27%
Private equity pools	16.00%	8.58%	1.37%
Alternative investment pools	15.00%	7.08%	1.06%
International equity	10.50%	-0.73%	-0.08%
Fixed income pools	10.00%	5.12%	0.51%
Real estate and infrastructure pools	9.00%	2.42%	0.22%
Absolute return pools	12.50%	5.73%	0.72%
Short-term investment pools	2.00%	-1.29%	-0.03%
	<b>100.00%</b>		5.04%
Inflation			2.00%
Risk adjustment			-0.24%
<b>Investment rate of return</b>			<b>6.80%</b>

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

2020 Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money - Weighted Rate of Return
Domestic equity pools	25.00%	5.29%	1.32%
Private equity pools	16.00%	8.78%	1.40%
International equity pools	15.00%	6.98%	1.05%
Fixed income pools	10.50%	0.47%	0.05%
Real estate and infrastructure pools	10.00%	4.62%	0.46%
Absolute return pools	9.00%	3.02%	0.27%
Real return/opportunistic pools	12.50%	6.23%	0.78%
Short-term investment pools	2.00%	-0.09%	0.00%
	<b>100.00%</b>		5.33%
Inflation			2.10%
Risk adjustment			-0.63%
<b>Investment rate of return</b>			<b>6.80%</b>



## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

#### *Long-Term Expected Return on OPEB Plan Assets*

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2021 and 2020, are summarized in the following tables:

2021 Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.09%	1.27%
Private equity pools	16.00%	8.58%	1.37%
International equity	15.00%	7.08%	1.06%
Fixed income pools	10.50%	-0.73%	-0.08%
Real estate and infrastructure pools	10.00%	5.12%	0.51%
Absolute return pools	9.00%	2.42%	0.22%
Real return/opportunistic pools	12.50%	5.73%	0.72%
Short-term investment pools	2.00%	-1.29%	-0.03%
	<b>100.00%</b>		5.04%
Inflation			2.00%
Risk adjustment			-0.09%
<b>Investment rate of return</b>			<b>6.95%</b>

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

2020 Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.29%	1.32%
Private equity pools	16.00%	8.78%	1.40%
International equity pools	15.00%	6.98%	1.05%
Fixed income pools	10.50%	0.47%	0.05%
Real estate and infrastructure pools	10.00%	4.62%	0.46%
Absolute return pools	9.00%	3.02%	0.27%
Real return/opportunistic pools	12.50%	6.23%	0.78%
Short-term investment pools	2.00%	-0.09%	0.00%
	<u>100.00%</u>		5.33%
Inflation			2.10%
Risk adjustment			<u>-0.48%</u>
<b>Investment rate of return</b>			<u><u>6.95%</u></u>

#### ***Rate of Return***

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 27.30% and 27.14%, respectively. For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 5.37% and 5.24%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### ***Discount Rate***

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan, both of which are hybrid plans provided through non-university employers only) and a discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan) and 6.95%, respectively. The projection of cash flows used to determine these discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

#### ***Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.8% (6.8% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2022:

	<b>1% Decrease (5.80% / 5.80% / 5.00%)</b>	<b>Current Discount Rate (6.80% / 6.80% / 6.00%)</b>	<b>1% Increase (7.80% / 7.80% / 7.00%)</b>
<b>As of June 30, 2022</b>			

College's proportionate share of the net pension liability	\$ 15,103,090	\$ 10,563,604	\$ 6,800,074
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The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2021:

	<b>1% Decrease (5.80% / 5.80% / 5.00%)</b>	<b>Current Discount Rate (6.80% / 6.80% / 6.00%)</b>	<b>1% Increase (7.80% / 7.80% / 7.00%)</b>
<b>As of June 30, 2021</b>			

College's proportionate share of the net pension liability	\$ 19,781,840	\$ 15,283,455	\$ 11,555,297
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#### ***Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2022:

	<b>1% Decrease (5.95%)</b>	<b>Current Discount Rate (6.95%)</b>	<b>1% Increase (7.95%)</b>
<b>As of June 30, 2022</b>			

College's proportionate share of the net OPEB liability	\$ 1,232,792	\$ 663,440	\$ 180,264
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## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2021:

As of June 30, 2021	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
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College's proportionate share of the net OPEB liability	\$ 3,013,796	\$ 2,346,072	\$ 1,783,904
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#### *Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate*

The following presents the College's proportionate share of the net OPEB liability calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2022:

As of June 30, 2022	1% Decrease (6.75%)	Current Healthcare Cost Trend Rate (7.75%)	1% Increase (8.75%)
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College's proportionate share of the net OPEB liability	\$ 161,476	\$ 663,440	\$ 1,228,211
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The following presents the College's proportionate share of the net OPEB liability calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2021:

As of June 30, 2021	1% Decrease (6.0%)	Current Healthcare Cost Trend Rate (7.0%)	1% Increase (8.0%)
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College's proportionate share of the net OPEB liability	\$ 1,762,380	\$ 2,346,072	\$ 3,009,950
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#### *Pension and OPEB Plans Fiduciary Net Position*

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### *Payable to the Pension Plan*

At June 30, 2022, the College reported a payable of \$153,546 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2022. At June 30, 2021, the College reported a payable of \$124,280 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2021.

### *Payable to the OPEB Plan*

At June 30, 2022, the College reported a payable of \$14,363 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2022. At June 30, 2021, the College reported a payable of \$36,386 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2021.

### **Defined Contribution Plan – Optional Retirement Plan**

The College also offers an Optional Retirement Plan (ORP) administered by Teachers' Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF). The ORP is available for all full-time faculty and salaried administrative staff. Upon eligibility to participate, employees have 75 days in which to elect participation in the MPSERS plan and 90 days to elect to participate in the ORP plan.

The ORP is a non-voluntary defined-contribution plan in which the College contributes 11.0% and the employee contributes 4.0% of the participating employee's includible compensation. Participants are immediately 100% vested in all ORP contributions. Participating employees elect their own allocation of contributions among the available investment vehicles offered by TIAA-CREF. ORP retirement benefits are based on the accumulation of contributions and the related investment income for each participant. Distributions of retirement benefits are available under the ORP when participants attain age 55. At June 30, 2022 and 2021, the College had 36 and 27 plan participants, respectively. The College's contributions to the ORP for the years ended June 30, 2022 and 2021, were approximately \$261,000 and \$237,000, respectively.

## **6. RISK MANAGEMENT**

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the College carries commercial insurance. Liabilities in excess of insurance coverage, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The College participates in the Michigan Community College Risk Management Authority (risk pool) for claims relating to general and auto liability, motor vehicle physical damage, and property. Member contributions, which provide for losses incurred, reinsurance premiums, and risk management fees are allocated according to the actual costs incurred for each member. A member stop-loss fund provides for losses exceeding \$15,000 per occurrence or \$45,000 in the aggregate, on a year-to-year basis from the fund. Reinsurance agreements provide for loss coverage in excess of the amounts to be retained by the members. The risk pool provides for withdrawal from membership at the end of any anniversary year.

# WEST SHORE COMMUNITY COLLEGE

## Notes to Financial Statements

### 7. COMMITMENTS AND CONTINGENCIES

Mason County, Michigan, built the West Shore Community Ice Arena, which opened in August 2002, on College property. The College entered into a land lease agreement with the County in which the County pays \$1 annually to the College for the use of the land. In correlation with this they also entered into a management agreement for the building site and operation of the 36,000 square foot ice arena, by which the College is responsible for operating the facility and any associated costs for such operations. The land lease and management agreements are unconditional for a period of 50 years. At the end of the term, the property will revert back to the College.

The College entered into a 25 year agreement, ending July 2031, in relation to an educational facility constructed at the West Shore Medical Center in Manistee. The agreement gives the College the right to use the Education Center on a scheduled basis throughout the year. The agreement requires the College to pay for a percentage of the operating costs of the facility. The College began occupying the Education Center in August 2007 for fall college classes.

### 8. FOUNDATION

The West Shore Community College Foundation was established in 1971 for the purpose of:

- a) Securing gifts of property, works of art, historical papers, etc.
- b) Fundraising by means of gifts, grants and bequests for a broad variety of purposes, such as establishment of endowments, scholarships, and cultural events.
- c) Acting in the capacity of a fiduciary or trustee in carrying out these purposes and objectives.

Separate financial statements are issued for the Foundation that are prepared in accordance with the accounting standards established by the Financial Accounting Standards Board. The management of the College should be contacted for copies of the Foundation's audit report.

### 9. SELF-INSURANCE

The College has a self-insured medical reimbursement plan for eligible administrators, faculty, and support staff. In general, the College is liable for benefits up to \$50,000 per contract; a family unit is considered one contract. Additionally, the College has stop-loss coverage if claims in the aggregate exceed \$1,192,314 per contract year. Benefit payments in excess of \$50,000 per contract or \$1,192,314 in aggregate are payable by an insurance company.

The College utilizes a third party provider to administer benefits payable under this plan. Medical claim reimbursement payments including administrative fees and stop-loss insurance premiums totaled \$1,298,832 and \$1,359,273 of expense for the years ended June 30, 2022 and 2021, respectively.

As of June 30, 2022 and 2021, the liability for claims incurred but not reported is not material.

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

#### 10. LEASES

The College leases various segments of its Manistee Center as well as a portion of its Tech Building and a portion of its Recreation Center. The College leases space to various community organizations to build on the College's vision statement of serving and working in collaboration with its community. The College has lease agreements for its Manistee center with The Manistee Chamber of Commerce which expires December 2030, the MI Works/Networks Northwest which expires December 2030, the Manistee County Community Foundation which expires November 2041, and the City of Manistee Downtown Development Authority which expires May 2045. The lease agreements for the Manistee Center have various terms and conditions with some providing for annual payments of \$20,000 and others with monthly payments ranging from approximately \$3,000 to \$4,000. The College leases a portion of its Tech Building to West Shore Educational Services District which expires in June 2046 and provides for annual payments ranging from approximately \$152,000-\$193,000. The College leases a portion of its Recreation Center to Mason County which expires in March 2032 and provides for annual payments of \$7,500.

These leases were discounted to their present value using the College's incremental borrowing rate of 4.20%.

The following is a summary of annual minimum future rentals "scheduled" or anticipated to be received on non-cancelable operating leases in excess of one year for the five years succeeding June 30, 2022 and thereafter:

Year	Principle	Interest
2023	\$ 143,016	\$ 166,204
2024	150,736	160,020
2025	158,802	153,505
2026	167,229	146,644
2027	176,033	139,422
2028-2032	872,953	579,345
2033-2037	725,588	420,575
2038-2042	937,464	243,894
2043-2045	749,852	50,879
<b>Total</b>	<b>\$ 4,081,673</b>	<b>\$ 2,060,488</b>

#### Remaining Term of Agreements

Asset Type  
Buildings

7 to 23 years

## WEST SHORE COMMUNITY COLLEGE

### Notes to Financial Statements

Lease receivables activity for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Lease Receivable	\$ 1,049,558	3,184,831	(152,716)	\$ 4,081,673

Lease receivables activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Lease Receivable	\$ -	1,114,137	(64,579)	\$ 1,049,558

The College has no significant long-term agreements as a lessee as of June 30, 2021 or 2022.

### 11. RELATED PARTY TRANSACTIONS

The College did not have any transactions with related parties other than with the Foundation as presented and disclosed throughout the accompanying basic financial and notes to the financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**MPSERS COST-SHARING MULTIPLE-EMPLOYER PLANS**

## WEST SHORE COMMUNITY COLLEGE

### Schedule of the College's Proportionate Share of the Net Pension Liability (Unaudited)

	Years Ended June 30							
	2022	2021	2020	2019	2018	2017	2016	2015
College's proportionate share of the net pension liability	\$ 10,563,604	\$ 15,283,455	\$ 15,175,491	\$ 15,352,747	\$ 14,498,267	\$ 14,544,248	\$ 13,969,953	\$ 12,376,693
College's proportion of the net pension liability	0.04462%	0.04449%	0.04582%	0.05107%	0.05595%	0.05830%	0.05720%	0.05619%
College's covered payroll	\$ 3,932,549	\$ 3,886,188	\$ 3,849,607	\$ 4,000,894	\$ 4,622,618	\$ 4,899,244	\$ 4,862,367	\$ 4,843,527
College's proportionate share of the net pension liability as a percentage of its covered payroll	268.62%	393.28%	394.21%	383.73%	313.64%	296.87%	287.31%	255.53%
Plan fiduciary net position as a percentage of the total pension liability	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

See notes to required supplementary information.

# WEST SHORE COMMUNITY COLLEGE

## Schedule of the College's Pension Contributions (Unaudited)

	Years Ended June 30							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,528,362	\$ 1,474,902	\$ 1,346,632	\$ 1,349,506	\$ 1,638,190	\$ 1,255,595	\$ 1,374,725	\$ 1,341,962
Contributions in relation to the contractually required contribution	<u>(1,528,362)</u>	<u>(1,474,902)</u>	<u>(1,346,632)</u>	<u>(1,349,506)</u>	<u>(1,638,190)</u>	<u>(1,255,595)</u>	<u>(1,374,725)</u>	<u>(1,341,962)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 3,651,913	\$ 3,971,902	\$ 3,727,415	\$ 3,842,904	\$ 4,017,214	\$ 4,779,354	\$ 4,941,941	\$ 4,795,073
Contributions as a percentage of covered payroll	41.85%	37.13%	36.13%	35.12%	40.78%	26.27%	27.82%	27.99%

See notes to required supplementary information.

## WEST SHORE COMMUNITY COLLEGE

### Schedule of the College's Proportionate Share of the Net Other Postemployment Benefits Liability (Unaudited)

	Year Ended June 30				
	2022	2021	2020	2019	2018
College's proportionate share of the net OPEB liability	\$ 663,440	\$ 2,346,072	\$ 3,158,940	\$ 3,736,388	\$ 4,990,593
College's proportion of the net OPEB liability	0.04347%	0.04379%	0.04401%	0.04700%	0.05636%
College's covered payroll	\$ 3,932,549	\$ 3,886,188	\$ 3,849,607	\$ 4,000,894	\$ 4,622,618
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.87%	60.37%	82.06%	93.39%	107.96%
Plan fiduciary net position as a percentage of the total OPEB liability	87.33%	59.44%	48.46%	42.95%	36.39%

See notes to required supplementary information.

## WEST SHORE COMMUNITY COLLEGE

### Schedule of the College's Other Postemployment Benefits Contributions (Unaudited)

	Year Ended June 30				
	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 334,206	\$ 410,708	\$ 365,310	\$ 323,101	\$ 248,727
Contributions in relation to the statutorily required contribution	(334,206)	(410,708)	(365,310)	(323,101)	(248,727)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 3,651,913	\$ 3,971,902	\$ 3,727,415	\$ 3,842,904	\$ 4,017,214
Contributions as a percentage of covered payroll	9.15%	10.34%	9.80%	8.41%	6.19%

See notes to required supplementary information.

# WEST SHORE COMMUNITY COLLEGE

## Notes to Required Supplementary Information

### *Pension Information*

GASB 68 was implemented in fiscal year 2015. The pension plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the College's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

### *OPEB Information*

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the College's Proportionate Share of the Net OPEB Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.



**SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED  
JUNE 30, 2022 AND 2021**

# WEST SHORE COMMUNITY COLLEGE

## Combining Statement of Net Position (Unaudited)

June 30, 2022

	Combined Total	General Fund	Auxiliary Activities Fund	Pension and OPEB Liability Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Agency Fund	Endowment Fund
<b>Assets</b>									
<b>Current assets</b>									
Cash and cash equivalents	\$ 8,440,930	\$ 8,439,735	\$ 1,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriation receivable	596,670	596,670	-	-	-	-	-	-	-
Accounts receivable, net	290,530	287,236	3,294	-	-	-	-	-	-
Federal and state grants receivable	714,037	2,805	-	-	711,232	-	-	-	-
Lease receivable - current portion	143,016	143,016	-	-	-	-	-	-	-
Inventories	42,445	-	42,445	-	-	-	-	-	-
Prepaid expenses	267,263	267,263	-	-	-	-	-	-	-
Short-term investments	2,793,929	2,793,929	-	-	-	-	-	-	-
Due (to) from other funds, including the Foundation	(160,468)	(9,303,171)	352,036	-	927,413	88,280	7,722,889	71,534	(19,449)
<b>Total current assets</b>	<b>13,128,352</b>	<b>3,227,483</b>	<b>398,970</b>	<b>-</b>	<b>1,638,645</b>	<b>88,280</b>	<b>7,722,889</b>	<b>71,534</b>	<b>(19,449)</b>
<b>Noncurrent assets</b>									
Investments	2,529,381	2,346,845	-	-	-	-	-	-	182,536
Lease receivable - net of current portion	3,938,657	3,938,657	-	-	-	-	-	-	-
<b>Total noncurrent assets</b>	<b>6,468,038</b>	<b>6,285,502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,536</b>
<b>Capital assets</b>									
Capital assets not being depreciated	1,163,915	-	-	-	-	-	1,163,915	-	-
Capital assets being depreciated, net	36,771,434	-	-	-	-	-	36,771,434	-	-
<b>Total capital assets, net</b>	<b>37,935,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,935,349</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>57,531,739</b>	<b>9,512,985</b>	<b>398,970</b>	<b>-</b>	<b>1,638,645</b>	<b>88,280</b>	<b>45,658,238</b>	<b>71,534</b>	<b>163,087</b>
<b>Deferred outflows of resources</b>									
Deferred pension amounts	2,206,305	-	-	845,069	-	-	-	-	-
Deferred OPEB amounts	845,069	-	-	2,206,305	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>3,051,374</b>	<b>-</b>	<b>-</b>	<b>3,051,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

continued...



# WEST SHORE COMMUNITY COLLEGE

## Combining Statement of Net Position (Unaudited)

June 30, 2022

	Combined Total	General Fund	Auxiliary Activities Fund	Pension and OPEB Liability Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Agency Fund	Endowment Fund
<b>Liabilities</b>									
<b>Current liabilities</b>									
Accounts payable	\$ 718,611	\$ 600,110	\$ 119	\$ -	\$ 118,382	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other liabilities	918,105	918,105	-	-	-	-	-	-	-
Deposits	71,534	-	-	-	-	-	-	71,534	-
Unearned revenue	125,754	122,943	2,811	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>1,834,004</b>	<b>1,641,158</b>	<b>2,930</b>	<b>-</b>	<b>118,382</b>	<b>-</b>	<b>-</b>	<b>71,534</b>	<b>-</b>
<b>Noncurrent liabilities</b>									
Net pension liability	10,563,604	-	-	10,563,604	-	-	-	-	-
Net OPEB liability	663,440	-	-	663,440	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>11,227,044</b>	<b>-</b>	<b>-</b>	<b>11,227,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>13,061,048</b>	<b>1,641,158</b>	<b>2,930</b>	<b>11,227,044</b>	<b>118,382</b>	<b>-</b>	<b>-</b>	<b>71,534</b>	<b>-</b>
<b>Deferred inflows of resources</b>									
Deferred pension amounts	4,906,923	-	-	4,906,923	-	-	-	-	-
Deferred OPEB amounts	2,882,764	-	-	2,882,764	-	-	-	-	-
Deferred lease amounts	4,043,905	4,043,905	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>11,833,592</b>	<b>4,043,905</b>	<b>-</b>	<b>7,789,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position (deficit)</b>									
Investment in capital assets	37,935,349	-	-	-	-	-	37,935,349	-	-
Restricted for									
Nonexpendable									
Scholarships	163,087	-	-	-	-	-	-	-	163,087
Expendable									
Student loans	88,280	-	-	-	-	88,280	-	-	-
Scholarships	-	-	-	-	-	-	-	-	-
Capital projects	5,324,168	-	-	-	-	-	5,324,168	-	-
Unrestricted (deficit)	(7,822,411)	3,827,922	396,040	(15,965,357)	1,520,263	-	2,398,721	-	-
<b>Total net position (deficit)</b>	<b>\$ 35,688,473</b>	<b>\$ 3,827,922</b>	<b>\$ 396,040</b>	<b>\$ (15,965,357)</b>	<b>\$ 1,520,263</b>	<b>\$ 88,280</b>	<b>\$ 45,658,238</b>	<b>\$ -</b>	<b>\$ 163,087</b>

concluded

# WEST SHORE COMMUNITY COLLEGE

## Combining Statement of Net Position (Unaudited)

June 30, 2021

	Combined Total	General Fund	Auxiliary Activities Fund	Pension and OPEB Liability Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Agency Fund	Endowment Fund
<b>Assets</b>									
<b>Current assets</b>									
Cash and cash equivalents	\$ 3,607,166	\$ 3,605,971	\$ 1,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriation receivable	603,903	603,903	-	-	-	-	-	-	-
Accounts receivable, net	370,918	370,918	-	-	-	-	-	-	-
Federal and state grants receivable	574,721	11,432	-	-	563,289	-	-	-	-
Lease receivable - current portion	152,716	152,716	-	-	-	-	-	-	-
Inventories	51,146	-	51,146	-	-	-	-	-	-
Prepaid expenses	65,144	65,144	-	-	-	-	-	-	-
Short-term investments	3,294,937	3,294,937	-	-	-	-	-	-	-
Due from (to) other funds, including the Foundation	186,079	(6,344,364)	255,500	-	920,096	87,840	5,227,812	56,738	(17,543)
<b>Total current assets</b>	<b>8,906,730</b>	<b>1,760,657</b>	<b>307,841</b>	<b>-</b>	<b>1,483,385</b>	<b>87,840</b>	<b>5,227,812</b>	<b>56,738</b>	<b>(17,543)</b>
<b>Noncurrent assets</b>									
Investments	3,528,078	3,347,448	-	-	-	-	-	-	180,630
Lease receivable - net of current portion	896,842	896,842	-	-	-	-	-	-	-
<b>Total noncurrent assets</b>	<b>4,424,920</b>	<b>4,244,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,630</b>
<b>Capital assets</b>									
Capital assets not being depreciated	11,936,599	-	-	-	-	-	11,936,599	-	-
Capital assets being depreciated, net	27,002,015	-	-	-	-	-	27,002,015	-	-
<b>Total capital assets, net</b>	<b>38,938,614</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,938,614</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>52,270,264</b>	<b>6,004,947</b>	<b>307,841</b>	<b>-</b>	<b>1,483,385</b>	<b>87,840</b>	<b>44,166,426</b>	<b>56,738</b>	<b>163,087</b>
<b>Deferred outflows of resources</b>									
Deferred pension amounts	3,295,699	-	-	3,295,699	-	-	-	-	-
Deferred OPEB amounts	1,134,723	-	-	1,134,723	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>4,430,422</b>	<b>-</b>	<b>-</b>	<b>4,430,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

continued...

# WEST SHORE COMMUNITY COLLEGE

## Combining Statement of Net Position (Unaudited)

June 30, 2021

	Combined Total	General Fund	Auxiliary Activities Fund	Pension and OPEB Liability Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Agency Fund	Endowment Fund
<b>Liabilities</b>									
<b>Current liabilities</b>									
Accounts payable	\$ 537,607	\$ 537,508	\$ 99	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other liabilities	875,340	875,340	-	-	-	-	-	-	-
Deposits	56,738	-	-	-	-	-	-	56,738	-
Unearned revenue	86,334	83,565	2,769	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>1,556,019</b>	<b>1,496,413</b>	<b>2,868</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,738</b>	<b>-</b>
<b>Noncurrent liabilities</b>									
Net pension liability	15,283,455	-	-	15,283,455	-	-	-	-	-
Net OPEB liability	2,346,072	-	-	2,346,072	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>17,629,527</b>	<b>-</b>	<b>-</b>	<b>17,629,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>19,185,546</b>	<b>1,496,413</b>	<b>2,868</b>	<b>17,629,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,738</b>	<b>-</b>
<b>Deferred inflows of resources</b>									
Deferred pension amounts	2,127,358	-	-	2,127,358	-	-	-	-	-
Deferred OPEB amounts	2,336,683	-	-	2,336,683	-	-	-	-	-
Deferred lease amounts	1,073,719	1,073,719	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>5,537,760</b>	<b>1,073,719</b>	<b>-</b>	<b>4,464,041</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position (deficit)</b>									
Investment in capital assets	38,938,614	-	-	-	-	-	38,938,614	-	-
Restricted for									
Nonexpendable									
Scholarships	163,087	-	-	-	-	-	-	-	163,087
Expendable									
Student loans	87,840	-	-	-	-	87,840	-	-	-
Scholarships	121,655	-	-	-	121,655	-	-	-	-
Capital projects	2,829,089	-	-	-	-	-	2,829,089	-	-
Unrestricted (deficit)	(10,162,905)	3,434,815	304,973	(17,663,146)	1,361,730	-	2,398,723	-	-
<b>Total net position (deficit)</b>	<b>\$ 31,977,380</b>	<b>\$ 3,434,815</b>	<b>\$ 304,973</b>	<b>\$ (17,663,146)</b>	<b>\$ 1,483,385</b>	<b>\$ 87,840</b>	<b>\$ 44,166,426</b>	<b>\$ -</b>	<b>\$ 163,087</b>

concluded

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2022

	Combined Total	Eliminations	General Fund	Auxiliary Activities Fund	Pension and OPEB Liability Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Endowment Fund
<b>Operating revenues</b>									
Tuition and fees (net of scholarship allowance of \$1,147,000)	\$ 1,709,812	\$ (1,147,000)	\$ 2,856,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	197,581	-	7,386	-	-	190,195	-	-	-
State and local grants	421,290	-	-	-	-	421,290	-	-	-
Auxiliary activities (net of scholarship allowance of \$21,116)	517,104	(21,116)	-	538,220	-	-	-	-	-
Miscellaneous	186,218	-	186,218	-	-	-	-	-	-
<b>Total operating revenues</b>	<b>3,032,005</b>	<b>(1,168,116)</b>	<b>3,050,416</b>	<b>538,220</b>	<b>-</b>	<b>611,485</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating expenses</b>									
Instruction	4,009,194	(20,285)	5,005,853	-	(991,938)	4,936	-	10,628	-
Technology	674,846	(447)	802,496	-	(138,115)	-	-	10,912	-
Public service	423,450	(4,366)	451,882	-	(39,461)	11,832	-	3,563	-
Instructional Support	1,075,595	(2,169)	1,376,256	-	(309,348)	9,200	-	1,656	-
Student services	3,754,282	(1,136,892)	1,457,737	671,860	(251,331)	3,012,898	-	10	-
Institutional support	2,396,851	(3,857)	2,818,438	-	(428,202)	-	-	10,472	-
Operations and maintenance of plant	2,375,595	(100)	2,250,287	-	(190,495)	265,723	-	50,180	-
Depreciation	1,758,713	-	-	-	-	-	-	1,758,713	-
<b>Total operating expenses</b>	<b>16,468,526</b>	<b>(1,168,116)</b>	<b>14,162,949</b>	<b>671,860</b>	<b>(2,348,890)</b>	<b>3,304,589</b>	<b>-</b>	<b>1,846,134</b>	<b>-</b>
<b>Operating (loss) income</b>	<b>(13,436,521)</b>	<b>-</b>	<b>(11,112,533)</b>	<b>(133,640)</b>	<b>2,348,890</b>	<b>(2,693,104)</b>	<b>-</b>	<b>(1,846,134)</b>	<b>-</b>

continued...

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2022

	Combined Total	Eliminations	General Fund	Auxiliary Activities Fund	Pension and OPEB Liability Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Endowment Fund
<b>Nonoperating revenues</b>									
<b>(expenses)</b>									
State appropriations	\$ 2,829,786	\$ -	\$ 3,480,887	\$ -	\$ (651,101)	\$ -	\$ -	\$ -	\$ -
Federal Higher Education Emergency Relief Fund grants	1,421,220	-	-	-	-	1,421,220	-	-	-
Local community stabilization	410,138	-	410,138	-	-	-	-	-	-
Property taxes	10,420,319	-	7,167,425	-	-	-	-	3,252,894	-
Pell grants	1,230,439	-	-	-	-	1,230,439	-	-	-
Gifts	391,954	-	10,700	-	-	378,269	-	2,985	-
Investment income	74,082	-	30,612	1,461	-	-	440	39,663	1,906
Lease income	367,563	-	367,563	-	-	-	-	-	-
Miscellaneous income	2,113	-	-	-	-	-	-	2,113	-
<b>Total nonoperating revenues</b>	<b>17,147,614</b>	<b>-</b>	<b>11,467,325</b>	<b>1,461</b>	<b>(651,101)</b>	<b>3,029,928</b>	<b>440</b>	<b>3,297,655</b>	<b>1,906</b>
<b>(expenses)</b>									
<b>Change in net position before</b>									
<b>transfers</b>	<b>3,711,093</b>	<b>-</b>	<b>354,792</b>	<b>(132,179)</b>	<b>1,697,789</b>	<b>336,824</b>	<b>440</b>	<b>1,451,521</b>	<b>1,906</b>
Transfers in (out)	-	-	38,315	223,246	-	(299,946)	-	40,291	(1,906)
<b>Increase in net position</b>	<b>3,711,093</b>	<b>-</b>	<b>393,107</b>	<b>91,067</b>	<b>1,697,789</b>	<b>36,878</b>	<b>440</b>	<b>1,491,812</b>	<b>-</b>
Net position (deficit), beginning of year	31,977,380	-	3,434,815	304,973	(17,663,146)	1,483,385	87,840	44,166,426	163,087
<b>Net position (deficit), end of year</b>	<b>\$ 35,688,473</b>	<b>\$ -</b>	<b>\$ 3,827,922</b>	<b>\$ 396,040</b>	<b>\$ (15,965,357)</b>	<b>\$ 1,520,263</b>	<b>\$ 88,280</b>	<b>\$ 45,658,238</b>	<b>\$ 163,087</b>

concluded

## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2021

	Combined Total	Eliminations	General Fund	Auxiliary Activities Fund	Pension Liability Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Endowment Fund
<b>Operating revenues</b>									
Tuition and fees (net of scholarship allowance of \$1,159,000)	\$ 1,898,135	\$ (1,159,000)	\$ 3,057,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	164,033	-	2,345	-	-	161,688	-	-	-
State and local grants	396,270	-	-	-	-	396,270	-	-	-
Auxiliary activities (net of scholarship allowance of \$51,630)	320,850	(51,630)	-	372,480	-	-	-	-	-
Miscellaneous	207,090	-	202,047	-	-	5,043	-	-	-
<b>Total operating revenues</b>	<b>2,986,378</b>	<b>(1,210,630)</b>	<b>3,261,527</b>	<b>372,480</b>	<b>-</b>	<b>563,001</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating expenses</b>									
Instruction	4,485,552	(13,659)	4,908,808	-	(421,215)	(518)	-	12,136	-
Technology	774,344	(131)	803,081	-	(53,427)	-	-	24,821	-
Public service	485,949	(3,048)	517,752	-	(27,668)	(18,047)	-	16,960	-
Academic support	1,288,609	(2,713)	1,403,910	-	(124,600)	9,200	-	2,812	-
Student services	3,671,401	(1,186,799)	1,401,260	663,812	(91,304)	2,883,086	-	1,346	-
Institutional support	3,080,540	(4,157)	2,774,603	-	(167,056)	44,890	-	432,260	-
Operations and maintenance of plant	2,434,313	(123)	2,048,627	-	(68,788)	242,585	-	212,012	-
Depreciation	1,523,161	-	-	-	-	-	-	1,523,161	-
<b>Total operating expenses</b>	<b>17,743,869</b>	<b>(1,210,630)</b>	<b>13,858,041</b>	<b>663,812</b>	<b>(954,058)</b>	<b>3,161,196</b>	<b>-</b>	<b>2,225,508</b>	<b>-</b>
<b>Operating (loss) income</b>	<b>(14,757,491)</b>	<b>-</b>	<b>(10,596,514)</b>	<b>(291,332)</b>	<b>954,058</b>	<b>(2,598,195)</b>	<b>-</b>	<b>(2,225,508)</b>	<b>-</b>

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## WEST SHORE COMMUNITY COLLEGE

### Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)

For the Year Ended June 30, 2021

	Combined Total	Eliminations	General Fund	Auxiliary Activities Fund	Pension Liability Fund	Expendable Restricted Fund	Student Loan Fund	Plant Fund	Endowment Fund
<b>Nonoperating revenues</b>									
<b>(expenses)</b>									
State appropriations	\$ 2,737,196	\$ -	\$ 3,334,962	\$ -	\$ (597,766)	\$ -	\$ -	\$ -	\$ -
Coronavirus Relief Fund grant	289,800	-	-	-	-	289,800	-	-	-
Federal Higher Education Emergency Relief Fund grants	982,259	-	-	-	-	982,259	-	-	-
Local community stabilization	426,943	-	426,943	-	-	-	-	-	-
Property taxes	9,167,995	-	7,093,511	-	-	-	-	2,074,484	-
Pell grants	1,345,000	-	-	-	-	1,345,000	-	-	-
Gifts	587,513	-	-	-	-	393,479	-	194,034	-
Investment income	140,874	-	99,210	2,306	-	-	635	32,286	6,437
Lease income	53,839	-	53,839	-	-	-	-	-	-
Miscellaneous income	17,391	-	-	-	-	-	-	17,391	-
<b>Total nonoperating revenues</b>	<b>15,748,810</b>	<b>-</b>	<b>11,008,465</b>	<b>2,306</b>	<b>(597,766)</b>	<b>3,010,538</b>	<b>635</b>	<b>2,318,195</b>	<b>6,437</b>
<b>Change in net position before transfers</b>	<b>991,319</b>	<b>-</b>	<b>411,951</b>	<b>(289,026)</b>	<b>356,292</b>	<b>412,343</b>	<b>635</b>	<b>92,687</b>	<b>6,437</b>
Transfers (out) in	-	-	(166,282)	441,268	-	(289,503)	-	20,271	(5,754)
<b>Income before other revenues</b>	<b>991,319</b>	<b>-</b>	<b>245,669</b>	<b>152,242</b>	<b>356,292</b>	<b>122,840</b>	<b>635</b>	<b>112,958</b>	<b>683</b>
<b>Other revenues</b>									
State capital appropriations	83,144	-	-	-	-	-	-	83,144	-
Other capital revenues	190,000	-	-	-	-	-	-	190,000	-
<b>Total other revenues</b>	<b>273,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273,144</b>	<b>-</b>
<b>Increase in net position</b>	<b>1,264,463</b>	<b>-</b>	<b>245,669</b>	<b>152,242</b>	<b>356,292</b>	<b>122,840</b>	<b>635</b>	<b>386,102</b>	<b>683</b>
Net position (deficit), beginning of year	30,712,917	-	3,189,146	152,731	(18,019,438)	1,360,545	87,205	43,780,324	162,404
<b>Net position (deficit), end of year</b>	<b>\$ 31,977,380</b>	<b>\$ -</b>	<b>\$ 3,434,815</b>	<b>\$ 304,973</b>	<b>\$ (17,663,146)</b>	<b>\$ 1,483,385</b>	<b>\$ 87,840</b>	<b>\$ 44,166,426</b>	<b>\$ 163,087</b>

concluded

## WEST SHORE COMMUNITY COLLEGE

### Combining Schedule of Auxiliary Activities Fund (Unaudited)

For the Year Ended June 30, 2022

	Bookstore	Food Service	Ice Arena	Recreation Services	Total
<b>Operating revenues</b>					
Auxiliary activities	\$ 108,554	\$ 62,103	\$ 162,967	\$ 204,596	\$ 538,220
<b>Operating expenses</b>					
Salaries and wages	27,156	17,657	50,872	105,952	201,637
Fringe benefits	19,217	19,103	20,937	59,273	118,530
Supplies and other expenses	95,727	34,157	102,381	119,428	351,693
<b>Total operating expenses</b>	<b>142,100</b>	<b>70,917</b>	<b>174,190</b>	<b>284,653</b>	<b>671,860</b>
Operating loss	(33,546)	(8,814)	(11,223)	(80,057)	(133,640)
<b>Nonoperating revenues</b>					
Investment income	1,461	-	-	-	1,461
<b>Change in net position before transfers</b>	<b>(32,085)</b>	<b>(8,814)</b>	<b>(11,223)</b>	<b>(80,057)</b>	<b>(132,179)</b>
Transfers in	28,662	32,161	36,685	125,738	223,246
<b>(Decrease) increase in net position</b>	<b>(3,423)</b>	<b>23,347</b>	<b>25,462</b>	<b>45,681</b>	<b>91,067</b>
Net position (deficit), beginning of year	331,740	(112,044)	13,615	71,662	304,973
<b>Net position (deficit), end of year</b>	<b>\$ 328,317</b>	<b>\$ (88,697)</b>	<b>\$ 39,077</b>	<b>\$ 117,343</b>	<b>\$ 396,040</b>



## WEST SHORE COMMUNITY COLLEGE

### Combining Schedule of Auxiliary Activities Fund (Unaudited)

For the Year Ended June 30, 2021

	Bookstore	Food Service	Ice Arena	Recreation Services	Total
<b>Operating revenues</b>					
Auxiliary activities	\$ 107,899	\$ 19,524	\$ 96,144	\$ 148,913	\$ 372,480
<b>Operating expenses</b>					
Salaries and wages	38,064	16,133	50,993	109,256	214,446
Fringe benefits	24,079	12,777	20,877	58,778	116,511
Supplies and other expenses	117,716	6,065	89,048	120,026	332,855
<b>Total operating expenses</b>	<b>179,859</b>	<b>34,975</b>	<b>160,918</b>	<b>288,060</b>	<b>663,812</b>
Operating loss	(71,960)	(15,451)	(64,774)	(139,147)	(291,332)
<b>Nonoperating revenues</b>					
Investment income	2,306	-	-	-	2,306
<b>Change in net position before transfers</b>	<b>(69,654)</b>	<b>(15,451)</b>	<b>(64,774)</b>	<b>(139,147)</b>	<b>(289,026)</b>
Transfers in	47,206	33,818	115,753	244,491	441,268
<b>(Decrease) increase in net position</b>	<b>(22,448)</b>	<b>18,367</b>	<b>50,979</b>	<b>105,344</b>	<b>152,242</b>
Net position (deficit), beginning of year	354,188	(130,411)	(37,364)	(33,682)	152,731
<b>Net position (deficit), end of year</b>	<b>\$ 331,740</b>	<b>\$ (112,044)</b>	<b>\$ 13,615</b>	<b>\$ 71,662</b>	<b>\$ 304,973</b>